

By: Duncan, Shapiro, Deuell
(Pitts)

S.B. No. 1

Substitute the following for S.B. No. 1:

By: Pitts

C.S.S.B. No. 1

A BILL TO BE ENTITLED

AN ACT

relating to certain state fiscal matters; providing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. FOUNDATION SCHOOL PROGRAM PAYMENTS

SECTION 1.01. Subsections (c), (d), and (f), Section 42.259, Education Code, are amended to read as follows:

(c) Payments from the foundation school fund to each category 2 school district shall be made as follows:

(1) 22 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of September of a fiscal year;

(2) 18 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of October;

(3) 9.5 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of November;

(4) 7.5 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of April;

(5) five percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of May;

(6) 10 percent of the yearly entitlement of the

1 district shall be paid in an installment to be made on or before the
2 25th day of June;

3 (7) 13 percent of the yearly entitlement of the
4 district shall be paid in an installment to be made on or before the
5 25th day of July; and

6 (8) 15 percent of the yearly entitlement of the
7 district shall be paid in an installment to be made after the 5th
8 day of September and not later than the 10th day of September of the
9 calendar year following the calendar year of the payment made under
10 Subdivision (1) [~~on or before the 25th day of August~~].

11 (d) Payments from the foundation school fund to each
12 category 3 school district shall be made as follows:

13 (1) 45 percent of the yearly entitlement of the
14 district shall be paid in an installment to be made on or before the
15 25th day of September of a fiscal year;

16 (2) 35 percent of the yearly entitlement of the
17 district shall be paid in an installment to be made on or before the
18 25th day of October; and

19 (3) 20 percent of the yearly entitlement of the
20 district shall be paid in an installment to be made after the 5th
21 day of September and not later than the 10th day of September of the
22 calendar year following the calendar year of the payment made under
23 Subdivision (1) [~~on or before the 25th day of August~~].

24 (f) Except as provided by Subsection (c)(8) or (d)(3), any
25 [Any] previously unpaid additional funds from prior fiscal years
26 owed to a district shall be paid to the district together with the
27 September payment of the current fiscal year entitlement.

1 SECTION 1.02. Subsection (c), Section 466.355, Government
2 Code, is amended to read as follows:

3 (c) Each August the comptroller shall:

4 (1) estimate the amount to be transferred to the
5 foundation school fund on or before September 15; and

6 (2) notwithstanding Subsection (b)(4), transfer the
7 amount estimated in Subdivision (1) to the foundation school fund
8 before August 25 [~~installment payments are made under Section~~
9 ~~42.259, Education Code~~].

10 SECTION 1.03. The changes made by this article to Section
11 42.259, Education Code, apply only to a payment from the foundation
12 school fund that is made on or after the effective date of this Act.
13 A payment to a school district from the foundation school fund that
14 is made before that date is governed by Section 42.259, Education
15 Code, as it existed before amendment by this article, and the former
16 law is continued in effect for that purpose.

17 ARTICLE 2. FISCAL MATTERS REGARDING REGULATION AND TAXATION
18 OF INSURERS

19 SECTION 2.01. Section 221.006, Insurance Code, is amended
20 by adding Subsection (c) to read as follows:

21 (c) An insurer is not entitled to a credit under Subsection
22 (a) for an examination or evaluation fee paid in calendar year 2012
23 or 2013. This subsection expires January 1, 2014.

24 SECTION 2.02. Section 222.007, Insurance Code, is amended
25 by adding Subsection (c) to read as follows:

26 (c) An insurer or health maintenance organization is not
27 entitled to a credit under Subsection (a) for an examination or

1 evaluation fee paid in calendar year 2012 or 2013. This subsection
2 expires January 1, 2014.

3 SECTION 2.03. Section 223.009, Insurance Code, is amended
4 by adding Subsection (c) to read as follows:

5 (c) A title insurance company is not entitled to a credit
6 under Subsection (a) for an examination or evaluation fee paid in
7 calendar year 2012 or 2013. This subsection expires January 1,
8 2014.

9 SECTION 2.04. Section 401.151, Insurance Code, is amended
10 by adding Subsection (f) to read as follows:

11 (f) An insurer is not entitled to a credit under Subsection
12 (e) for an examination or evaluation fee paid in calendar year 2012
13 or 2013. This subsection expires January 1, 2014.

14 SECTION 2.05. Section 401.154, Insurance Code, is amended
15 to read as follows:

16 Sec. 401.154. TAX CREDIT AUTHORIZED. (a) An insurer is
17 entitled to a credit on the amount of premium taxes to be paid by the
18 insurer for all examination fees paid under Section 401.153. The
19 insurer may take the credit for the taxable year during which the
20 examination fees are paid and may take the credit to the same extent
21 the insurer may take a credit for examination fees paid when a
22 salaried department examiner conducts the examination.

23 (b) An insurer is not entitled to a credit under Subsection
24 (a) for an examination fee paid in calendar year 2012 or 2013. This
25 subsection expires January 1, 2014.

26 SECTION 2.06. Section 463.160, Insurance Code, is amended
27 to read as follows:

1 Sec. 463.160. PREMIUM TAX CREDIT FOR CLASS A ASSESSMENT.

2 The amount of a Class A assessment paid by a member insurer in each
3 taxable year shall be allowed as a credit on the amount of premium
4 taxes due [~~in the same manner as a credit is allowed under Section~~
5 ~~401.151(e)~~].

6 SECTION 2.07. The changes in law made by this article apply
7 only to a tax credit for an examination or evaluation fee paid on or
8 after January 1, 2012. Tax credits for examination or evaluation
9 fees paid before January 1, 2012, are governed by the law in effect
10 immediately before the effective date of this Act, and that law is
11 continued in effect for that purpose.

12 ARTICLE 3. TAX RECORDS

13 SECTION 3.01. Section 2153.201, Occupations Code, is
14 amended by amending Subsection (b) and adding Subsection (c) to
15 read as follows:

16 (b) A record required under Subsection (a) must:

17 (1) be available at all times for inspection by the
18 attorney general, the comptroller, or an authorized representative
19 of the attorney general or comptroller as provided by Subsection
20 (c);

21 (2) include information relating to:

22 (A) the kind of each machine;

23 (B) the date each machine is:

24 (i) acquired or received in this state; and

25 (ii) placed in operation;

26 (C) the location of each machine, including the:

27 (i) county;

1 (ii) municipality, if any; and

2 (iii) street or rural route number;

3 (D) the name and complete address of each
4 operator of each machine;

5 (E) if the owner is an individual, the full name
6 and address of the owner; and

7 (F) if the owner is not an individual, the name
8 and address of each principal officer or member of the owner; and

9 (3) be maintained[+]

10 [~~(A)~~] at a permanent address in this state
11 designated on the application for a license under Section
12 2153.153[~~, and~~

13 [~~(B) until the second anniversary of the date the~~
14 ~~owner ceases ownership of the machine that is the subject of the~~
15 ~~record].~~

16 (c) A record required under Subsection (a) must be available
17 for inspection under Subsection (b) for at least four years and as
18 required by Section 111.0041, Tax Code.

19 SECTION 3.02. Section 111.0041, Tax Code, is amended to
20 read as follows:

21 Sec. 111.0041. RECORDS; BURDEN TO PRODUCE AND SUBSTANTIATE
22 CLAIMS. (a) Except as provided by Subsection (b), a [Any] taxpayer
23 who is required by this title to keep records shall keep those
24 records open to inspection by the comptroller, the attorney
25 general, or the authorized representatives of either of them for at
26 least four years.

27 (b) A taxpayer is required to keep records open for

1 inspection under Subsection (a) for more than four years throughout
2 any period when:

3 (1) any tax, penalty, or interest may be assessed,
4 collected, or refunded by the comptroller; or

5 (2) an administrative hearing is pending before the
6 comptroller, or a judicial proceeding is pending, to determine the
7 amount of the tax, penalty, or interest that is to be assessed,
8 collected, or refunded.

9 (c) A taxpayer shall produce contemporaneous records and
10 supporting documentation appropriate to the tax or fee for the
11 period in question to substantiate and enable verification of the
12 taxpayer's claim related to the amount of tax, penalty, or interest
13 to be assessed, collected, or refunded in an administrative or
14 judicial proceeding. Contemporaneous records and supporting
15 documentation appropriate to the tax or fee include invoices,
16 vouchers, checks, shipping records, contracts, and other
17 equivalent records, such as electronically stored images of such
18 documents, reflecting legal relationships and taxes collected or
19 paid.

20 (d) Summary records submitted by the taxpayer, including
21 accounting journals and ledgers, without supporting
22 contemporaneous records and documentation for the period in
23 question are not sufficient to substantiate and enable verification
24 of the taxpayer's claim regarding the amount of tax, penalty, or
25 interest that may be assessed, collected, or refunded.

26 (e) This section prevails over any other conflicting
27 provision of this title.

1 SECTION 3.03. Section 112.052, Tax Code, is amended by
2 adding Subsection (d) to read as follows:

3 (d) A taxpayer shall produce contemporaneous records and
4 supporting documentation appropriate to the tax or fee for the
5 period in question to substantiate and enable verification of a
6 taxpayer's claim relating to the amount of the tax, penalty, or
7 interest that is to be assessed, collected, or refunded, as
8 required by Section 111.0041.

9 SECTION 3.04. Section 112.151, Tax Code, is amended by
10 adding Subsection (f) to read as follows:

11 (f) A taxpayer shall produce contemporaneous records and
12 supporting documentation appropriate to the tax or fee for the
13 period in question to substantiate and enable verification of a
14 taxpayer's claim relating to the amount of the tax, penalty, or
15 interest that is to be assessed, collected, or refunded, as
16 required by Section 111.0041.

17 SECTION 3.05. Subsection (b), Section 151.025, Tax Code, is
18 amended to read as follows:

19 (b) A record required by Subsection (a) [~~of this section~~]
20 shall be kept for not less than four years from the date [~~day~~] that
21 it is made unless:

22 (1) the comptroller authorizes in writing its
23 destruction at an earlier date; or

24 (2) Section 111.0041 requires that the record be kept
25 for a longer period.

26 SECTION 3.06. Section 152.063, Tax Code, is amended by
27 adding Subsection (h) to read as follows:

1 (h) Section 111.0041 applies to a person required to keep
2 records under this chapter.

3 SECTION 3.07. Section 152.0635, Tax Code, is amended by
4 adding Subsection (e) to read as follows:

5 (e) Section 111.0041 applies to a person required to keep
6 records under this chapter.

7 SECTION 3.08. Subsection (a), Section 154.209, Tax Code, is
8 amended to read as follows:

9 (a) Except as provided by Section 111.0041, each ~~[Each]~~
10 permit holder shall keep records available for inspection and
11 copying by the comptroller and the attorney general for at least
12 four years.

13 SECTION 3.09. Subsection (a), Section 155.110, Tax Code, is
14 amended to read as follows:

15 (a) Except as provided by Section 111.0041, each ~~[Each]~~
16 permit holder shall keep records available for inspection and
17 copying by the comptroller and the attorney general for at least
18 four years.

19 SECTION 3.10. Section 160.046, Tax Code, is amended by
20 adding Subsection (g) to read as follows:

21 (g) A person required to keep records under this section
22 shall also keep the records as required by Section 111.0041.

23 SECTION 3.11. Subchapter A, Chapter 162, Tax Code, is
24 amended by adding Section 162.0125 to read as follows:

25 Sec. 162.0125. DUTY TO KEEP RECORDS. A person required to
26 keep a record under this chapter shall also keep the record as
27 required by Section 111.0041.

1 SECTION 3.12. This article takes effect immediately if this
2 Act receives a vote of two-thirds of all the members elected to each
3 house, as provided by Section 39, Article III, Texas Constitution.
4 If this Act does not receive the vote necessary for immediate
5 effect, this article takes effect October 1, 2011.

6 ARTICLE 4. UNCLAIMED PROPERTY

7 SECTION 4.01. Subsection (a), Section 72.101, Property
8 Code, is amended to read as follows:

9 (a) Except as provided by this section and Sections 72.1015,
10 72.1016, 72.1017, and 72.102, personal property is presumed
11 abandoned if, for longer than three years:

12 (1) the existence and location of the owner of the
13 property is unknown to the holder of the property; and

14 (2) according to the knowledge and records of the
15 holder of the property, a claim to the property has not been
16 asserted or an act of ownership of the property has not been
17 exercised.

18 SECTION 4.02. Subchapter B, Chapter 72, Property Code, is
19 amended by adding Section 72.1017 to read as follows:

20 Sec. 72.1017. UTILITY DEPOSITS. (a) In this section:

21 (1) "Utility" has the meaning assigned by Section
22 183.001, Utilities Code.

23 (2) "Utility deposit" is a refundable money deposit a
24 utility requires a user of the utility service to pay as a condition
25 of initiating the service.

26 (b) Notwithstanding Section 73.102, a utility deposit is
27 presumed abandoned on the latest of:

1 (1) the first anniversary of the date a refund check
2 for the utility deposit was payable to the owner of the deposit;

3 (2) the first anniversary of the date the utility last
4 received documented communication from the owner of the utility
5 deposit; or

6 (3) the first anniversary of the date the utility
7 issued a refund check for the deposit payable to the owner of the
8 deposit if, according to the knowledge and records of the utility or
9 payor of the check, during that period, a claim to the check has not
10 been asserted or an act of ownership by the payee has not been
11 exercised.

12 SECTION 4.03. Subsection (c), Section 72.102, Property
13 Code, is amended to read as follows:

14 (c) A money order to which Subsection (a) applies is
15 presumed to be abandoned on the latest of:

16 (1) the third [~~seventh~~] anniversary of the date on
17 which the money order was issued;

18 (2) the third [~~seventh~~] anniversary of the date on
19 which the issuer of the money order last received from the owner of
20 the money order communication concerning the money order; or

21 (3) the third [~~seventh~~] anniversary of the date of the
22 last writing, on file with the issuer, that indicates the owner's
23 interest in the money order.

24 SECTION 4.04. Section 72.103, Property Code, is amended to
25 read as follows:

26 Sec. 72.103. PRESERVATION OF PROPERTY. Notwithstanding any
27 other provision of this title except a provision of this section or

1 Section 72.1016 relating to a money order or a stored value card, a
2 holder of abandoned property shall preserve the property and may
3 not at any time, by any procedure, including a deduction for
4 service, maintenance, or other charge, transfer or convert to the
5 profits or assets of the holder or otherwise reduce the value of the
6 property. For purposes of this section, value is determined as of
7 the date of the last transaction or contact concerning the
8 property, except that in the case of a money order, value is
9 determined as of the date the property is presumed abandoned under
10 Section 72.102(c). If a holder imposes service, maintenance, or
11 other charges on a money order prior to the time of presumed
12 abandonment, such charges may not exceed the amount of \$1 [~~50 cents~~]
13 per month for each month the money order remains uncashed prior to
14 the month in which the money order is presumed abandoned.

15 SECTION 4.05. Section 73.101, Property Code, is amended by
16 amending Subsection (a) and adding Subsection (c) to read as
17 follows:

18 (a) An account or safe deposit box is presumed abandoned if:
19 (1) except as provided by Subsection (c), the account
20 or safe deposit box has been inactive for at least five years as
21 determined under Subsection (b);
22 (2) the location of the depositor of the account or
23 owner of the safe deposit box is unknown to the depository; and
24 (3) the amount of the account or the contents of the
25 box have not been delivered to the comptroller in accordance with
26 Chapter 74.

27 (c) If the account is a checking or savings account or is a

1 matured certificate of deposit, the account is presumed abandoned
2 if the account has been inactive for at least three years as
3 determined under Subsection (b)(1).

4 SECTION 4.06. Subsection (a), Section 74.101, Property
5 Code, is amended to read as follows:

6 (a) Each holder who on March 1 [~~June 30~~] holds property that
7 is presumed abandoned under Chapter 72, 73, or 75 of this code or
8 under Chapter 154, Finance Code, shall file a report of that
9 property on or before the following July [~~November~~] 1. The
10 comptroller may require the report to be in a particular format,
11 including a format that can be read by a computer.

12 SECTION 4.07. Subsection (a), Section 74.1011, Property
13 Code, is amended to read as follows:

14 (a) Except as provided by Subsection (b), a holder who on
15 March 1 [~~June 30~~] holds property valued at more than \$250 that is
16 presumed abandoned under Chapter 72, 73, or 75 of this code or
17 Chapter 154, Finance Code, shall, on or before the following May
18 [~~August~~] 1, mail to the last known address of the known owner
19 written notice stating that:

- 20 (1) the holder is holding the property; and
21 (2) the holder may be required to deliver the property
22 to the comptroller on or before July [~~November~~] 1 if the property is
23 not claimed.

24 SECTION 4.08. Subsections (a) and (c), Section 74.301,
25 Property Code, are amended to read as follows:

26 (a) Except as provided by Subsection (c), each holder who on
27 March 1 [~~June 30~~] holds property that is presumed abandoned under

1 Chapter 72, 73, or 75 shall deliver the property to the comptroller
2 on or before the following July [~~November~~] 1 accompanied by the
3 report required to be filed under Section 74.101.

4 (c) If the property subject to delivery under Subsection (a)
5 is the contents of a safe deposit box, the comptroller may instruct
6 a holder to deliver the property on a specified date before July
7 [~~November~~] 1 of the following year.

8 SECTION 4.09. Subsection (e), Section 74.601, Property
9 Code, is amended to read as follows:

10 (e) The comptroller on receipt or from time to time may
11 [~~from time to time~~] sell securities, including stocks, bonds, and
12 mutual funds, received under this chapter or any other statute
13 requiring the delivery of unclaimed property to the comptroller and
14 use the proceeds to buy, exchange, invest, or reinvest in
15 marketable securities. When making or selling the investments, the
16 comptroller shall exercise the judgment and care of a prudent
17 person.

18 SECTION 4.10. Section 74.708, Property Code, is amended to
19 read as follows:

20 Sec. 74.708. PROPERTY HELD IN TRUST. A holder who on March
21 1 [~~June 30~~] holds property presumed abandoned under Chapters 72-75
22 holds the property in trust for the benefit of the state on behalf
23 of the missing owner and is liable to the state for the full value of
24 the property, plus any accrued interest and penalty. A holder is
25 not required by this section to segregate or establish trust
26 accounts for the property provided the property is timely delivered
27 to the comptroller in accordance with Section 74.301.

1 SECTION 4.11. (a) Except as provided by Subsection (b) of
2 this section, this article takes effect on the 91st day after the
3 last day of the legislative session.

4 (b) Sections 74.101(a), 74.1011(a), 74.301(a) and (c), and
5 74.708, Property Code, as amended by this article, take effect
6 January 1, 2013.

7 SECTION 4.12. A charge imposed on a money order under
8 Section 72.103, Property Code, by a holder before the effective
9 date of this article is governed by the law applicable to the charge
10 immediately before the effective date of this article, and the
11 holder may retain the charge.

12 ARTICLE 5. CLASSIFICATION OF JUDICIAL AND COURT PERSONNEL TRAINING
13 FUND

14 SECTION 5.01. Section 56.001, Government Code, is amended
15 to read as follows:

16 Sec. 56.001. JUDICIAL AND COURT PERSONNEL TRAINING FUND.

17 (a) The judicial and court personnel training fund is an account
18 in the general revenue fund. Money in the judicial and court
19 personnel training fund may be appropriated only to ~~[created in the~~
20 ~~state treasury and shall be administered by]~~ the court of criminal
21 appeals for the uses authorized in Section 56.003.

22 (b) ~~[(i)]~~ On requisition of the court of criminal appeals,
23 the comptroller shall draw a warrant on the fund for the amount
24 specified in the requisition for a use authorized in Section
25 56.003. A warrant may not exceed the amount appropriated for any
26 one fiscal year. ~~[At the end of each state fiscal year, any~~
27 ~~unexpended balance in the fund in excess of \$500,000 shall be~~

1 ~~transferred to the general revenue fund.]~~

2 ARTICLE 6. FISCAL MATTERS REGARDING PETROLEUM INDUSTRY REGULATION

3 SECTION 6.01. Section 26.3574, Water Code, is amended by
4 amending Subsection (b) and adding Subsection (b-1) to read as
5 follows:

6 (b) A fee is imposed on the delivery of a petroleum product
7 on withdrawal from bulk of that product as provided by this
8 subsection. Each operator of a bulk facility on withdrawal from
9 bulk of a petroleum product shall collect from the person who orders
10 the withdrawal a fee in an amount determined as follows:

11 (1) not more than \$3.125 [~~\$3.75~~] for each delivery
12 into a cargo tank having a capacity of less than 2,500 gallons [~~for~~
13 ~~the state fiscal year beginning September 1, 2007, through the~~
14 ~~state fiscal year ending August 31, 2011~~];

15 (2) not more than \$6.25 [~~\$7.50~~] for each delivery into
16 a cargo tank having a capacity of 2,500 gallons or more but less
17 than 5,000 gallons [~~for the state fiscal year beginning September~~
18 ~~1, 2007, through the state fiscal year ending August 31, 2011~~];

19 (3) not more than \$9.37 [~~\$11.75~~] for each delivery
20 into a cargo tank having a capacity of 5,000 gallons or more but
21 less than 8,000 gallons [~~for the state fiscal year beginning~~
22 ~~September 1, 2007, through the state fiscal year ending August 31,~~
23 ~~2011~~];

24 (4) not more than \$12.50 [~~\$15.00~~] for each delivery
25 into a cargo tank having a capacity of 8,000 gallons or more but
26 less than 10,000 gallons [~~for the state fiscal year beginning~~
27 ~~September 1, 2007, through the state fiscal year ending August 31,~~

1 2011]; and

2 (5) not more than \$6.25 [~~\$7.50~~] for each increment of
3 5,000 gallons or any part thereof delivered into a cargo tank having
4 a capacity of 10,000 gallons or more [~~for the state fiscal year~~
5 ~~beginning September 1, 2007, through the state fiscal year ending~~
6 ~~August 31, 2011~~].

7 (b-1) The commission by rule shall set the amount of the fee
8 in Subsection (b) in an amount not to exceed the amount necessary to
9 cover the agency's costs of administering this subchapter, as
10 indicated by the amount appropriated by the legislature from the
11 petroleum storage tank remediation account for that purpose.

12 SECTION 6.02. The fee applicable to a delivery is the
13 maximum amount of the fee applicable to that delivery as provided by
14 Section 26.3574(b), Water Code, as amended by this article, until
15 the Texas Commission on Environmental Quality adopts and implements
16 a fee applicable to that delivery under Section 26.3574(b-1), Water
17 Code, as added by this article.

18 ARTICLE 7. REMITTANCE AND ALLOCATION OF CERTAIN MOTOR FUELS TAXES

19 SECTION 7.01. Section 162.113, Tax Code, is amended by
20 adding Subsections (a-1), (a-2), (a-3), and (a-4) to read as
21 follows:

22 (a-1) On August 28, 2013, each licensed distributor and
23 licensed importer shall remit to the supplier or permissive
24 supplier, as applicable, a tax prepayment in an amount equal to 25
25 percent of the tax imposed by Section 162.101 for gasoline removed
26 at the terminal rack during July 2013 by the licensed distributor or
27 licensed importer, without accounting for any credit or allowance

1 to which the licensed distributor or licensed importer is entitled.
2 The supplier or permissive supplier shall remit the tax prepayment
3 received under this subsection to the comptroller by electronic
4 funds transfer on August 30, 2013, without accounting for any
5 credit or allowance to which the supplier or permissive supplier is
6 entitled. Subsections (c)-(e) do not apply to the tax prepayment
7 under this subsection.

8 (a-2) A licensed distributor or licensed importer may take a
9 credit against the amount of tax imposed by Section 162.101 for
10 gasoline removed at a terminal rack during August 2013 that is
11 required to be remitted to the supplier or permissive supplier, as
12 applicable, under Subsection (a) in September 2013. The amount of
13 the credit is equal to the amount of any tax prepayment remitted by
14 the licensed distributor or licensed importer as required by
15 Subsection (a-1).

16 (a-3) Subsections (a-1) and (a-2) apply to a supplier or an
17 affiliate of a supplier who removes gasoline at the terminal rack
18 for distribution to the same extent and in the same manner that
19 those subsections apply to a licensed distributor or licensed
20 importer.

21 (a-4) Subsections (a-1), (a-2), and (a-3) and this
22 subsection expire September 1, 2015.

23 SECTION 7.02. Section 162.214, Tax Code, is amended by
24 adding Subsections (a-1), (a-2), (a-3), and (a-4) to read as
25 follows:

26 (a-1) On August 28, 2013, each licensed distributor and
27 licensed importer shall remit to the supplier or permissive

1 supplier, as applicable, a tax prepayment in an amount equal to 25
2 percent of the tax imposed by Section 162.201 for diesel fuel
3 removed at the terminal rack during July 2013 by the licensed
4 distributor or licensed importer, without accounting for any credit
5 or allowance to which the licensed distributor or licensed importer
6 is entitled. The supplier or permissive supplier shall remit the
7 tax prepayment received under this subsection to the comptroller by
8 electronic funds transfer on August 30, 2013, without accounting
9 for any credit or allowance to which the supplier or permissive
10 supplier is entitled. Subsections (c)-(e) do not apply to the tax
11 prepayment under this subsection.

12 (a-2) A licensed distributor or licensed importer may take a
13 credit against the amount of tax imposed by Section 162.201 for
14 diesel fuel removed at a terminal rack during August 2013 that is
15 required to be remitted to the supplier or permissive supplier, as
16 applicable, under Subsection (a) in September 2013. The amount of
17 the credit is equal to any tax prepayment remitted by the licensed
18 distributor or licensed importer as required by Subsection (a-1).

19 (a-3) Subsections (a-1) and (a-2) apply to a supplier or an
20 affiliate of a supplier who removes diesel fuel at the terminal rack
21 for distribution to the same extent and in the same manner that
22 those subsections apply to a licensed distributor or licensed
23 importer.

24 (a-4) Subsections (a-1), (a-2), and (a-3) and this
25 subsection expire September 1, 2015.

26 SECTION 7.03. Section 162.503, Tax Code, is amended to read
27 as follows:

1 Sec. 162.503. ALLOCATION OF GASOLINE TAX. (a) On or
2 before the fifth workday after the end of each month, the
3 comptroller, after making all deductions for refund purposes and
4 for the amounts allocated under Sections 162.502 and 162.5025,
5 shall allocate the net remainder of the taxes collected under
6 Subchapter B as follows:

7 (1) one-fourth of the tax shall be deposited to the
8 credit of the available school fund;

9 (2) one-half of the tax shall be deposited to the
10 credit of the state highway fund for the construction and
11 maintenance of the state road system under existing law; and

12 (3) from the remaining one-fourth of the tax the
13 comptroller shall:

14 (A) deposit to the credit of the county and road
15 district highway fund all the remaining tax receipts until a total
16 of \$7,300,000 has been credited to the fund each fiscal year; and

17 (B) after the amount required to be deposited to
18 the county and road district highway fund has been deposited,
19 deposit to the credit of the state highway fund the remainder of the
20 one-fourth of the tax, the amount to be provided on the basis of
21 allocations made each month of the fiscal year, which sum shall be
22 used by the Texas Department of Transportation for the
23 construction, improvement, and maintenance of farm-to-market
24 roads.

25 (b) Notwithstanding Subsection (a), the comptroller may not
26 allocate revenue otherwise required to be allocated under
27 Subsection (a) during July and August 2013 before the first workday

1 of September 2013. The revenue shall be allocated as otherwise
2 provided by Subsection (a) not later than the fifth workday of
3 September 2013. This subsection expires September 1, 2015.

4 SECTION 7.04. Section 162.504, Tax Code, is amended to read
5 as follows:

6 Sec. 162.504. ALLOCATION OF DIESEL FUEL TAX. (a) On or
7 before the fifth workday after the end of each month, the
8 comptroller, after making deductions for refund purposes, for the
9 administration and enforcement of this chapter, and for the amounts
10 allocated under Section 162.5025, shall allocate the remainder of
11 the taxes collected under Subchapter C as follows:

12 (1) one-fourth of the taxes shall be deposited to the
13 credit of the available school fund; and

14 (2) three-fourths of the taxes shall be deposited to
15 the credit of the state highway fund.

16 (b) Notwithstanding Subsection (a), the comptroller may not
17 allocate revenue otherwise required to be allocated under
18 Subsection (a) during July and August 2013 before the first workday
19 of September 2013. The revenue shall be allocated as otherwise
20 provided by Subsection (a) not later than the fifth workday of
21 September 2013. This subsection expires September 1, 2015.

22 SECTION 7.05. The expiration of the amendments made to the
23 Tax Code in accordance with this article does not affect tax
24 liability accruing before the expiration of those amendments. That
25 liability continues in effect as if the amendments had not expired,
26 and the former law is continued in effect for the collection of
27 taxes due and for civil and criminal enforcement of the liability

1 for those taxes.

2 SECTION 7.06. This article takes effect October 1, 2011.

3 ARTICLE 8. REMITTANCE OF MIXED BEVERAGE TAXES AND TAXES AND FEES ON
4 CERTAIN ALCOHOLIC BEVERAGES

5 SECTION 8.01. Section 34.04, Alcoholic Beverage Code, is
6 amended by adding Subsections (c), (d), and (e) to read as follows:

7 (c) In August 2013, a permittee shall remit a tax prepayment
8 of taxes due to be remitted in September 2013 that is equal to 25
9 percent of the amount the permittee is otherwise required to remit
10 during August 2013 under the reporting system prescribed by the
11 commission. The prepayment is in addition to the amount the
12 permittee is otherwise required to remit during August. The
13 permittee shall remit the additional payment in conjunction with
14 the report and payment otherwise required during that month.

15 (d) A permittee who remits the additional payment as
16 required by Subsection (c) may take a credit in the amount of the
17 additional payment against the next payment due under the reporting
18 system prescribed by the commission.

19 (e) Subsections (c) and (d) and this subsection expire
20 September 1, 2015.

21 SECTION 8.02. Section 48.04, Alcoholic Beverage Code, is
22 amended by adding Subsections (c), (d), and (e) to read as follows:

23 (c) In August 2013, a permittee shall remit a tax prepayment
24 of taxes due to be remitted in September 2013 that is equal to 25
25 percent of the amount the permittee is otherwise required to remit
26 during August 2013 under the reporting system prescribed by the
27 commission. The prepayment is in addition to the amount the

1 permittee is otherwise required to remit during August. The
2 permittee shall remit the additional payment in conjunction with
3 the report and payment otherwise required during that month.

4 (d) A permittee who remits the additional payment as
5 required by Subsection (c) may take a credit in the amount of the
6 additional payment against the next payment due under the reporting
7 system prescribed by the commission.

8 (e) Subsections (c) and (d) and this subsection expire
9 September 1, 2015.

10 SECTION 8.03. Section 201.07, Alcoholic Beverage Code, is
11 amended to read as follows:

12 Sec. 201.07. DUE DATE. (a) The tax on liquor is due and
13 payable on the 15th of the month following the first sale, together
14 with a report on the tax due.

15 (b) In August 2013, each permittee who is liable for the
16 taxes imposed by this subchapter shall remit a tax prepayment of
17 taxes due to be remitted in September 2013 that is equal to 25
18 percent of the amount the permittee is otherwise required to remit
19 during August 2013 under Subsection (a). The prepayment is in
20 addition to the amount the permittee is otherwise required to remit
21 during August. The permittee shall remit the additional payment in
22 conjunction with the report and payment otherwise required during
23 that month.

24 (c) A permittee who remits the additional payment as
25 required by Subsection (b) may take a credit in the amount of the
26 additional payment against the next payment due under Subsection
27 (a).

1 (d) Subsections (b) and (c) and this subsection expire
2 September 1, 2015.

3 SECTION 8.04. Section 201.43, Alcoholic Beverage Code, is
4 amended by amending Subsection (b) and adding Subsections (c), (d),
5 and (e) to read as follows:

6 (b) The tax is due and payable on the 15th day of the month
7 following the month in which the taxable first sale occurs,
8 together with a report on the tax due.

9 (c) In August 2013, each permittee who is liable for the tax
10 imposed by this subchapter shall remit a tax prepayment of taxes due
11 to be remitted in September 2013 that is equal to 25 percent of the
12 amount the permittee is otherwise required to remit during August
13 2013 under Subsection (b). The prepayment is in addition to the
14 amount the permittee is otherwise required to remit during August.
15 The permittee shall remit the additional payment in conjunction
16 with the report and payment otherwise required during that month.

17 (d) A permittee who remits the additional payment as
18 required by Subsection (c) may take a credit in the amount of the
19 additional payment against the next payment due under Subsection
20 (b).

21 (e) Subsections (c) and (d) and this subsection expire
22 September 1, 2015.

23 SECTION 8.05. Section 203.03, Alcoholic Beverage Code, is
24 amended by amending Subsection (b) and adding Subsections (c), (d),
25 and (e) to read as follows:

26 (b) The tax is due and payable on the 15th day of the month
27 following the month in which the taxable first sale occurs,

1 together with a report on the tax due.

2 (c) Each licensee who is liable for the tax imposed by this
3 chapter shall remit a tax prepayment of taxes due to be remitted in
4 September 2013 that is equal to 25 percent of the amount the
5 licensee is otherwise required to remit during August 2013 under
6 Subsection (b). The prepayment is in addition to the amount the
7 licensee is otherwise required to remit during August. The
8 licensee shall remit the additional payment in conjunction with the
9 report and payment otherwise required during that month.

10 (d) A licensee who remits the additional payment as required
11 by Subsection (c) may take a credit in the amount of the additional
12 payment against the next payment due under Subsection (b).

13 (e) Subsections (c) and (d) and this subsection expire
14 September 1, 2015.

15 SECTION 8.06. Section 183.023, Tax Code, is amended to read
16 as follows:

17 Sec. 183.023. PAYMENT. (a) The tax due for the preceding
18 month shall accompany the return and shall be payable to the state.

19 (b) The comptroller shall deposit the revenue received
20 under this section in the general revenue fund.

21 (c) In August 2013, each permittee who is liable for the tax
22 imposed by this subchapter shall remit a tax prepayment of taxes due
23 to be remitted in September 2013 that is equal to 25 percent of the
24 amount the permittee is otherwise required to remit during August
25 2013 under Subsection (a). The prepayment is in addition to the
26 amount the permittee is otherwise required to remit during August.
27 The permittee shall remit the additional payment in conjunction

1 with the return and payment otherwise required during that month.

2 (d) A permittee who remits the additional payment as
3 required by Subsection (c) may take a credit in the amount of the
4 additional payment against the next payment due under Subsection
5 (a).

6 (e) Subsections (c) and (d) and this subsection expire
7 September 1, 2015.

8 SECTION 8.07. The expiration of the amendments made to the
9 Alcoholic Beverage Code and Tax Code in accordance with this
10 article does not affect tax liability accruing before the
11 expiration of those amendments. That liability continues in effect
12 as if the amendments had not expired, and the former law is
13 continued in effect for the collection of taxes due and for civil
14 and criminal enforcement of the liability for those taxes.

15 ARTICLE 9. CIGARETTE TAX STAMPING ALLOWANCE

16 SECTION 9.01. Subsection (a), Section 154.052, Tax Code, is
17 amended to read as follows:

18 (a) A distributor is, subject to the provisions of Section
19 154.051, entitled to 2.5 [~~three~~] percent of the face value of stamps
20 purchased as a stamping allowance for providing the service of
21 affixing stamps to cigarette packages, except that an out-of-state
22 distributor is entitled to receive only the same percentage of
23 stamping allowance as that given to Texas distributors doing
24 business in the state of the distributor.

25 SECTION 9.02. This article applies only to cigarette stamps
26 purchased on or after the effective date of this article. Cigarette
27 stamps purchased before the effective date of this article are

1 governed by the law in effect on the date the cigarette stamps were
2 purchased, and that law is continued in effect for that purpose.

3 SECTION 9.03. This article takes effect October 1, 2011.

4 ARTICLE 10. SALES FOR RESALE

5 SECTION 10.01. Section 151.006, Tax Code, is amended by
6 amending Subsection (a) and adding Subsection (c) to read as
7 follows:

8 (a) "Sale for resale" means a sale of:

9 (1) tangible personal property or a taxable service to
10 a purchaser who acquires the property or service for the purpose of
11 reselling it with or as a taxable item as defined by Section 151.010
12 in the United States of America or a possession or territory of the
13 United States of America or in the United Mexican States in the
14 normal course of business in the form or condition in which it is
15 acquired or as an attachment to or integral part of other tangible
16 personal property or taxable service;

17 (2) tangible personal property to a purchaser for the
18 sole purpose of the purchaser's leasing or renting it in the United
19 States of America or a possession or territory of the United States
20 of America or in the United Mexican States in the normal course of
21 business to another person, but not if incidental to the leasing or
22 renting of real estate;

23 (3) tangible personal property to a purchaser who
24 acquires the property for the purpose of transferring it in the
25 United States of America or a possession or territory of the United
26 States of America or in the United Mexican States as an integral
27 part of a taxable service; [~~or~~]

1 (4) a taxable service performed on tangible personal
2 property that is held for sale by the purchaser of the taxable
3 service; or

4 (5) except as provided by Subsection (c), tangible
5 personal property to a purchaser who acquires the property for the
6 purpose of transferring it as an integral part of performing a
7 contract, or a subcontract of a contract, with the federal
8 government only if the purchaser:

9 (A) allocates and bills to the contract the cost
10 of the property as a direct or indirect cost; and

11 (B) transfers title to the property to the
12 federal government under the contract and applicable federal
13 acquisition regulations.

14 (c) A sale for resale does not include the sale of tangible
15 personal property or a taxable service to a purchaser who acquires
16 the property or service for the purpose of performing a service that
17 is not taxed under this chapter, regardless of whether title
18 transfers to the service provider's customer, unless the tangible
19 personal property or taxable service is purchased for the purpose
20 of reselling it to the United States in a contract, or a subcontract
21 of a contract, with any branch of the Department of Defense,
22 Department of Homeland Security, Department of Energy, National
23 Aeronautics and Space Administration, Central Intelligence Agency,
24 National Security Agency, National Oceanic and Atmospheric
25 Administration, or National Reconnaissance Office to the extent
26 allocated and billed to the contract with the federal government.

27 SECTION 10.02. This article takes effect immediately if

1 this Act receives a vote of two-thirds of all the members elected to
2 each house, as provided by Section 39, Article III, Texas
3 Constitution. If this Act does not receive the vote necessary for
4 immediate effect, this article takes effect October 1, 2011.

5 ARTICLE 11. REMITTANCE OF SALES AND USE TAXES

6 SECTION 11.01. Section 151.401, Tax Code, is amended by
7 adding Subsections (c), (d), and (e) to read as follows:

8 (c) In August 2013, a taxpayer who is required to pay the
9 taxes imposed by this chapter on or before the 20th day of that
10 month under Subsection (a), who pays the taxes imposed by this
11 chapter by electronic funds transfer, and who does not prepay as
12 provided by Section 151.424 shall remit to the comptroller a tax
13 prepayment that is equal to 25 percent of the amount the taxpayer is
14 otherwise required to remit during August 2013 under Subsection
15 (a). The prepayment is in addition to the amount the taxpayer is
16 otherwise required to remit during August. The taxpayer shall
17 remit the additional payment in conjunction with the payment
18 otherwise required during that month. Section 151.424 does not
19 apply with respect to the additional payment required by this
20 subsection.

21 (d) A taxpayer who remits the additional payment as required
22 by Subsection (c) may take a credit in the amount of the additional
23 payment against the next payment due under Subsection (a).

24 (e) Subsections (c) and (d) and this subsection expire
25 September 1, 2015.

26 SECTION 11.02. Section 151.402, Tax Code, is amended to
27 read as follows:

1 associated with that amount, except for a hearing under Section
2 151.157(f), 151.1575(c), 151.712(g), 154.1142, or 155.0592;

3 (2) a property value study hearing under Subchapter M,
4 Chapter 403, Government Code;

5 (3) a hearing in which the issue relates to:

6 (A) Chapters 72-75, Property Code;

7 (B) forfeiture of a right to do business;

8 (C) a certificate of authority;

9 (D) articles of incorporation;

10 (E) a penalty imposed under Section 151.703(d)
11 [~~151.7031~~];

12 (F) the refusal or failure to settle under
13 Section 111.101; or

14 (G) a request for or revocation of an exemption
15 from taxation; and

16 (4) any other hearing not related to the collection,
17 receipt, administration, or enforcement of the amount of a tax or
18 fee imposed, or the penalty or interest associated with that
19 amount.

20 SECTION 12.02. Subsection (a), Section 151.468, Tax Code,
21 as effective September 1, 2011, is amended to read as follows:

22 (a) If a person fails to file a report required by this
23 subchapter or fails to file a complete report, the comptroller may
24 impose a civil or criminal penalty, or both, under Section
25 151.703(d) [~~151.7031~~] or 151.709.

26 SECTION 12.03. Section 151.703, Tax Code, is amended by
27 adding Subsection (d) to read as follows:

1 (d) In addition to any other penalty authorized by this
2 section, a person who fails to file a report as required by this
3 chapter shall pay a penalty of \$50. The penalty provided by this
4 subsection is assessed without regard to whether the taxpayer
5 subsequently files the report or whether any taxes were due from the
6 taxpayer for the reporting period under the required report.

7 SECTION 12.04. Section 152.045, Tax Code, is amended by
8 adding Subsection (d) to read as follows:

9 (d) In addition to any other penalty provided by law, the
10 owner of a motor vehicle subject to the tax on gross rental receipts
11 who is required to file a report as provided by this chapter and who
12 fails to timely file the report shall pay a penalty of \$50. The
13 penalty provided by this subsection is assessed without regard to
14 whether the taxpayer subsequently files the report or whether any
15 taxes were due from the taxpayer for the reporting period under the
16 required report.

17 SECTION 12.05. Section 152.047, Tax Code, is amended by
18 adding Subsection (j) to read as follows:

19 (j) In addition to any other penalty provided by law, the
20 seller of a motor vehicle sold in a seller-financed sale who is
21 required to file a report as provided by this chapter and who fails
22 to timely file the report shall pay a penalty of \$50. The penalty
23 provided by this subsection is assessed without regard to whether
24 the taxpayer subsequently files the report or whether any taxes
25 were due from the taxpayer for the reporting period under the
26 required report.

27 SECTION 12.06. Section 156.202, Tax Code, is amended by

1 amending Subsection (c) and adding Subsection (d) to read as
2 follows:

3 (c) The minimum penalty under Subsections (a) and (b) [~~this~~
4 ~~section~~] is \$1.

5 (d) In addition to any other penalty authorized by this
6 section, a person who fails to file a report as required by this
7 chapter shall pay a penalty of \$50. The penalty provided by this
8 subsection is assessed without regard to whether the taxpayer
9 subsequently files the report or whether any taxes were due from the
10 taxpayer for the reporting period under the required report.

11 SECTION 12.07. Section 162.401, Tax Code, is amended by
12 adding Subsection (d) to read as follows:

13 (d) In addition to any other penalty authorized by this
14 section, a person who fails to file a report as required by this
15 chapter shall pay a penalty of \$50. The penalty provided by this
16 subsection is assessed without regard to whether the taxpayer
17 subsequently files the report or whether any taxes were due from the
18 taxpayer for the reporting period under the required report.

19 SECTION 12.08. Section 171.362, Tax Code, is amended by
20 amending Subsection (c) and adding Subsection (f) to read as
21 follows:

22 (c) The minimum penalty under Subsections (a) and (b) [~~this~~
23 ~~section~~] is \$1.

24 (f) In addition to any other penalty authorized by this
25 section, a taxable entity who fails to file a report as required by
26 this chapter shall pay a penalty of \$50. The penalty provided by
27 this subsection is assessed without regard to whether the taxable

1 entity subsequently files the report or whether any taxes were due
2 from the taxable entity for the reporting period under the required
3 report.

4 SECTION 12.09. Subchapter B, Chapter 183, Tax Code, is
5 amended by adding Section 183.024 to read as follows:

6 Sec. 183.024. FAILURE TO PAY TAX OR FILE REPORT. (a) A
7 permittee who fails to file a report as required by this chapter or
8 who fails to pay a tax imposed by this chapter when due shall pay
9 five percent of the amount due as a penalty, and if the permittee
10 fails to file the report or pay the tax within 30 days after the day
11 the tax or report is due, the permittee shall pay an additional five
12 percent of the amount due as an additional penalty.

13 (b) The minimum penalty under Subsection (a) is \$1.

14 (c) A delinquent tax draws interest beginning 60 days from
15 the due date.

16 (d) In addition to any other penalty authorized by this
17 section, a permittee who fails to file a report as required by this
18 chapter shall pay a penalty of \$50. The penalty provided by this
19 subsection is assessed without regard to whether the permittee
20 subsequently files the report or whether any taxes were due from the
21 permittee for the reporting period under the required report.

22 SECTION 12.10. Section 771.0712, Health and Safety Code, is
23 amended by adding Subsections (c) and (d) to read as follows:

24 (c) A seller who fails to file a report or remit a fee
25 collected or payable as provided by this section and comptroller
26 rules shall pay five percent of the amount due and payable as a
27 penalty, and if the seller fails to file the report or remit the fee

1 within 30 days after the day the fee or report is due, the seller
2 shall pay an additional five percent of the amount due and payable
3 as an additional penalty.

4 (d) In addition to any other penalty authorized by this
5 section, a seller who fails to file a report as provided by this
6 section shall pay a penalty of \$50. The penalty provided by this
7 subsection is assessed without regard to whether the seller
8 subsequently files the report or whether any taxes were due from the
9 seller for the reporting period under the required report.

10 SECTION 12.11. Section 151.7031, Tax Code, is repealed.

11 SECTION 12.12. The change in law made by this article
12 applies only to a report due or a tax or fee due and payable on or
13 after the effective date of this article. A report due or a tax or
14 fee due and payable before the effective date of this article is
15 governed by the law in effect at that time, and that law is
16 continued in effect for that purpose.

17 SECTION 12.13. This article takes effect immediately if
18 this Act receives a vote of two-thirds of all the members elected to
19 each house, as provided by Section 39, Article III, Texas
20 Constitution. If this Act does not receive the vote necessary for
21 immediate effect, this article takes effect October 1, 2011.

22 ARTICLE 13. FISCAL MATTERS RELATED TO VOTER REGISTRATION

23 SECTION 13.01. Subsections (b), (c), and (d), Section
24 18.065, Election Code, are amended to read as follows:

25 (b) On determining that a registrar is not in substantial
26 compliance, the secretary shall deliver written notice of the
27 noncompliance to[+]

1 ~~[(1)]~~ the registrar and include~~[, including]~~ in the
2 notice a description of the violation and an explanation of the
3 action necessary for substantial compliance and of the consequences
4 of noncompliance~~[, and~~

5 ~~[(2) the comptroller of public accounts, including in~~
6 ~~the notice the identity of the noncomplying registrar].~~

7 (c) On determining that a noncomplying registrar has
8 corrected the violation and is in substantial compliance, the
9 secretary shall deliver written notice to the registrar ~~[and to the~~
10 ~~comptroller]~~ that the registrar is in substantial compliance.

11 (d) ~~[The comptroller shall retain a notice received under~~
12 ~~this section on file until July 1 following the voting year in which~~
13 ~~it is received.]~~ The secretary shall retain a copy of each notice
14 the secretary delivers under this section for two years after the
15 date the notice is delivered.

16 SECTION 13.02. Subsection (a), Section 19.001, Election
17 Code, is amended to read as follows:

18 (a) Before May 15 of each year, the registrar shall prepare
19 and submit to the secretary of state ~~[comptroller of public~~
20 ~~accounts]~~ a statement containing:

21 (1) the total number of initial registrations for the
22 previous voting year;

23 (2) the total number of registrations canceled under
24 Sections 16.031(a)(1), 16.033, and 16.0332 for the previous voting
25 year; and

26 (3) the total number of registrations for which
27 information was updated for the previous voting year.

1 SECTION 13.03. The heading to Section 19.002, Election
2 Code, is amended to read as follows:

3 Sec. 19.002. PAYMENTS [~~ISSUANCE OF WARRANTS BY~~
4 ~~COMPTROLLER~~].

5 SECTION 13.04. Subsections (b) and (d), Section 19.002,
6 Election Code, are amended to read as follows:

7 (b) After June 1 of each year, the secretary of state
8 [~~comptroller of public accounts~~] shall make payments [~~issue~~
9 ~~warrants~~] pursuant to vouchers submitted by the registrar and
10 approved by the secretary of state in amounts that in the aggregate
11 do not exceed the registrar's entitlement. The secretary of state
12 shall prescribe the procedures necessary to implement this
13 subsection.

14 (d) The secretary of state [~~comptroller~~] may not make a
15 payment under Subsection (b) [~~issue a warrant~~] if on June 1 of the
16 year in which the payment [~~warrant~~] is to be made [~~issued the most~~
17 ~~recent notice received by the comptroller from the secretary of~~
18 ~~state under Section 18.065 indicates that~~] the registrar is not in
19 substantial compliance with Section 15.083, 16.032, 18.042, or
20 18.065 or with rules implementing the registration service program.

21 SECTION 13.05. The heading to Section 19.0025, Election
22 Code, is amended to read as follows:

23 Sec. 19.0025. ELECTRONIC ADMINISTRATION OF VOUCHERS AND
24 PAYMENTS [~~WARRANTS~~].

25 SECTION 13.06. Subsection (a), Section 19.0025, Election
26 Code, is amended to read as follows:

27 (a) The secretary of state shall establish and maintain an

1 online electronic system for administering vouchers submitted and
2 payments made [~~warrants issued~~] under Section 19.002.

3 SECTION 13.07. Subsection (c), Section 19.002, Election
4 Code, is repealed.

5 ARTICLE 14. CERTAIN POWERS AND DUTIES OF THE COMPTROLLER OF
6 PUBLIC ACCOUNTS

7 SECTION 14.01. Subsection (d), Section 403.0551,
8 Government Code, is amended to read as follows:

9 (d) This section does not authorize the comptroller to
10 deduct the amount of a state employee's indebtedness to a state
11 agency from any amount of compensation owed by the agency to the
12 employee, the employee's successor, or the assignee of the employee
13 or successor. In this subsection, "compensation" has the meaning
14 assigned by Section 403.055 and [~~"compensation,"~~] "indebtedness,"
15 "state agency," "state employee," and "successor" have the meanings
16 assigned by Section 666.001.

17 SECTION 14.02. Subsection (h), Section 404.022, Government
18 Code, is amended to read as follows:

19 (h) The comptroller may execute a simplified version of a
20 depository agreement with an eligible institution desiring to hold
21 [~~\$98,000 or less in~~] state deposits that are fully insured by the
22 Federal Deposit Insurance Corporation or the National Credit Union
23 Share Insurance Fund.

24 SECTION 14.03. Subsection (d), Section 403.0551,
25 Government Code, as amended by this article, applies to a deduction
26 made on or after the effective date of this Act for an indebtedness
27 to a state agency regardless of:

1 (1) the date the indebtedness accrued; or

2 (2) the dates of the pay period for which the
3 compensation from which the indebtedness is deducted is earned.

4 ARTICLE 15. PREPARATION AND PUBLICATION OF CERTAIN REPORTS AND
5 OTHER MATERIALS

6 SECTION 15.01. Subsection (c), Section 61.539, Education
7 Code, is amended to read as follows:

8 (c) As soon as practicable after each state fiscal year, the
9 board [~~comptroller~~] shall prepare a report for that fiscal year of
10 the number of students registered in a medical branch, school, or
11 college, the total amount of tuition charges collected by each
12 institution, the total amount transferred to the comptroller under
13 this section, and the total amount available in the physician
14 education loan repayment program account for the repayment of
15 student loans of physicians under this subchapter. The board
16 [~~comptroller~~] shall deliver a copy of the report to [~~the board and~~
17 ~~to~~] the governor, lieutenant governor, and speaker of the house of
18 representatives not later than January 1 following the end of the
19 fiscal year covered by the report.

20 SECTION 15.02. Subsection (c), Section 5.05, Tax Code, is
21 amended to read as follows:

22 (c) The comptroller shall electronically publish all
23 materials under this section [~~provide without charge one copy of~~
24 ~~all materials to officials of local government who are responsible~~]
25 for administering the property tax system. [~~If a local government~~
26 ~~official requests more than one copy, the comptroller may charge a~~
27 ~~reasonable fee to offset the costs of printing and distributing the~~

1 ~~materials.]~~ The comptroller shall make the materials available to
2 local governmental officials and members of the public but may
3 charge a reasonable fee to offset the costs of preparing, printing,
4 and distributing the materials.

5 SECTION 15.03. Section 5.06, Tax Code, is amended to read as
6 follows:

7 Sec. 5.06. EXPLANATION OF TAXPAYER REMEDIES. [~~(a)~~] The
8 comptroller shall prepare and electronically publish a pamphlet
9 explaining the remedies available to dissatisfied taxpayers and the
10 procedures to be followed in seeking remedial action. The
11 comptroller shall include in the pamphlet advice on preparing and
12 presenting a protest.

13 [~~(b) The comptroller shall provide without charge a~~
14 ~~reasonable number of copies of the pamphlet to any person on~~
15 ~~request. The comptroller may charge a person who requests multiple~~
16 ~~copies of the pamphlet a reasonable fee to offset the costs of~~
17 ~~printing and distributing those copies. The comptroller at its~~
18 ~~discretion shall determine the number of copies that a person may~~
19 ~~receive without charge.]~~

20 SECTION 15.04. Section 5.09, Tax Code, is amended to read as
21 follows:

22 Sec. 5.09. BIENNIAL [~~ANNUAL~~] REPORTS. (a) The comptroller
23 shall prepare a biennial [~~publish an annual~~] report of [~~the~~
24 ~~operations of the appraisal districts. The report shall include~~
25 ~~for each appraisal district, each county, and each school district~~
26 ~~and may include for other taxing units]~~ the total appraised
27 values[~~, assessed values,~~] and taxable values of taxable property

1 by category [~~class of property, the assessment ratio,~~] and the tax
2 rates of each county, municipality, and school district in effect
3 for the two years preceding the year in which the report is prepared
4 [~~rate~~].

5 (b) Not later than December 31 of each even-numbered year,
6 the [~~The~~] comptroller shall:

7 (1) electronically publish on the comptroller's
8 Internet website the [~~deliver a copy of each annual~~] report
9 required by [~~published under~~] Subsection (a); and

10 (2) notify [~~of this section to~~] the governor, the
11 lieutenant governor, and each member of the legislature that the
12 report is available on the website.

13 SECTION 15.05. The following are repealed:

14 (1) Sections 403.030 and 552.143(e), Government Code;
15 and

16 (2) Subchapter F, Chapter 379A, Local Government Code.

17 ARTICLE 16. SURPLUS LINES AND INDEPENDENTLY PROCURED INSURANCE

18 SECTION 16.01. Subsection (b), Section 101.053, Insurance
19 Code, is amended to read as follows:

20 (b) Sections 101.051 and 101.052 do not apply to:

21 (1) the lawful transaction of surplus lines insurance
22 under Chapter 981;

23 (2) the lawful transaction of reinsurance by insurers;

24 (3) a transaction in this state that:

25 (A) involves a policy that:

26 (i) is lawfully solicited, written, and
27 delivered outside this state; and

1 (ii) covers, at the time the policy is
2 issued, only subjects of insurance that are not resident, located,
3 or expressly to be performed in this state; and

4 (B) takes place after the policy is issued;

5 (4) a transaction:

6 (A) that involves an insurance contract
7 independently procured by the insured from an insurance company not
8 authorized to do insurance business in this state through
9 negotiations occurring entirely outside this state;

10 (B) that is reported; and

11 (C) on which premium tax, if applicable, is paid
12 in accordance with Chapter 226;

13 (5) a transaction in this state that:

14 (A) involves group life, health, or accident
15 insurance, other than credit insurance, and group annuities in
16 which the master policy for the group was lawfully issued and
17 delivered in a state in which the insurer or person was authorized
18 to do insurance business; and

19 (B) is authorized by a statute of this state;

20 (6) an activity in this state by or on the sole behalf
21 of a nonadmitted captive insurance company that insures solely:

22 (A) directors' and officers' liability insurance
23 for the directors and officers of the company's parent and
24 affiliated companies;

25 (B) the risks of the company's parent and
26 affiliated companies; or

27 (C) both the individuals and entities described

1 by Paragraphs (A) and (B);

2 (7) the issuance of a qualified charitable gift
3 annuity under Chapter 102; or

4 (8) a lawful transaction by a servicing company of the
5 Texas workers' compensation employers' rejected risk fund under
6 Section 4.08, Article 5.76-2, as that article existed before its
7 repeal.

8 SECTION 16.02. Section 225.001, Insurance Code, is amended
9 to read as follows:

10 Sec. 225.001. DEFINITIONS [~~DEFINITION~~]. In this chapter:

11 (1) "Affiliate" means, with respect to an insured, a
12 person or entity that controls, is controlled by, or is under common
13 control with the insured.

14 (2) "Affiliated group" means a group of entities whose
15 members are all affiliated.

16 (3) "Control" means, with respect to determining the
17 home state of an affiliated entity:

18 (A) to directly or indirectly, acting through one
19 or more persons, own, control, or hold the power to vote at least 25
20 percent of any class of voting security of the affiliated entity; or

21 (B) to control in any manner the election of the
22 majority of directors or trustees of the affiliated entity.

23 (4) "Home state" means:

24 (A) for an insured that is not an affiliated
25 group described by Paragraph (B):

26 (i) the state in which the insured
27 maintains the insured's principal residence, if the insured is an

1 individual;

2 (ii) the state in which an insured that is
3 not an individual maintains its principal place of business; or

4 (iii) if 100 percent of the insured risk is
5 located outside of the state in which the insured maintains the
6 insured's principal residence or maintains the insured's principal
7 place of business, as applicable, the state to which the largest
8 percentage of the insured's taxable premium for the insurance
9 contract that covers the risk is allocated; or

10 (B) for an affiliated group with respect to which
11 more than one member is a named insured on a single insurance
12 contract subject to this chapter, the home state of the member, as
13 determined under Paragraph (A), that has the largest percentage of
14 premium attributed to it under the insurance contract.

15 (5) "Premium" means any payment made in consideration
16 for insurance and [~~,"premium"~~] includes:

17 (A) [~~(1)~~] a premium;

18 (B) premium deposits;

19 (C) [~~(2)~~] a membership fee;

20 (D) a registration fee;

21 (E) [~~(3)~~] an assessment;

22 (F) [~~(4)~~] dues; and

23 (G) [~~(5)~~] any other compensation given in
24 consideration for surplus lines insurance.

25 SECTION 16.03. Section 225.002, Insurance Code, is amended
26 to read as follows:

27 Sec. 225.002. APPLICABILITY OF CHAPTER. This chapter

1 applies to a surplus lines agent who collects gross premiums for
2 surplus lines insurance for any risk in which this state is the home
3 state of the insured.

4 SECTION 16.04. Section 225.004, Insurance Code, is amended
5 by adding Subsections (a-1) and (f) and amending Subsections (b),
6 (c), and (e) to read as follows:

7 (a-1) Consistent with 15 U.S.C. Section 8201 et seq., this
8 state may not impose a premium tax on nonadmitted insurance
9 premiums other than premiums paid for insurance in which this state
10 is the home state of the insured.

11 (b) Taxable gross premiums under this section are based on
12 gross premiums written or received for surplus lines insurance
13 placed through an eligible surplus lines insurer during a calendar
14 year. Notwithstanding the tax basis described by this subsection,
15 the comptroller by rule may establish an alternate basis for
16 taxation for multistate and single-state policies for the purpose
17 of achieving uniformity.

18 (c) If a surplus lines insurance policy covers risks or
19 exposures only partially located in this state, and this state has
20 not entered into a cooperative agreement, reciprocal agreement, or
21 compact with another state for the collection of surplus lines tax
22 as authorized by Chapter 229, the tax is computed on the entire
23 policy [~~portion of the~~] premium for any policy in which this state
24 is the home state of the insured [~~that is properly allocated to a~~
25 ~~risk or exposure located in this state~~].

26 (e) Premiums [~~The following premiums are not taxable in~~
27 ~~this state:~~

1 ~~[(1) premiums properly allocated to another state that~~
2 ~~are specifically exempt from taxation in that state; and~~

3 ~~[(2) premiums]~~ on risks or exposures that are properly
4 allocated to federal or international waters or are under the
5 jurisdiction of a foreign government are not taxable in this state.

6 (f) If this state enters a cooperative agreement,
7 reciprocal agreement, or compact with another state for the
8 allocation of surplus lines tax as authorized by Chapter 229, taxes
9 due on multistate policies shall be allocated and reported in
10 accordance with the agreement or compact.

11 SECTION 16.05. Section 225.005, Insurance Code, is amended
12 to read as follows:

13 Sec. 225.005. TAX EXCLUSIVE. The tax imposed by this
14 chapter is a transaction tax collected by the surplus lines agent of
15 record and is in lieu of any [all] other transaction [insurance]
16 taxes on these premiums.

17 SECTION 16.06. Section 225.009, Insurance Code, is amended
18 by adding Subsection (d) to read as follows:

19 (d) Notwithstanding Subsections (a), (b), and (c), if this
20 state enters a cooperative agreement, reciprocal agreement, or
21 compact with another state for the allocation of surplus lines tax
22 as authorized by Chapter 229, the tax shall be allocated and
23 reported in accordance with the terms of the agreement or compact.

24 SECTION 16.07. Section 226.051, Insurance Code, is amended
25 to read as follows:

26 Sec. 226.051. DEFINITIONS [~~DEFINITION~~]. In this
27 subchapter:

1 (1) "Affiliate" means, with respect to an insured, a
2 person or entity that controls, is controlled by, or is under common
3 control with the insured.

4 (2) "Affiliated group" means a group of entities whose
5 members are all affiliated.

6 (3) "Control" means, with respect to determining the
7 home state of an affiliated entity:

8 (A) to directly or indirectly, acting through one
9 or more persons, own, control, or hold the power to vote at least 25
10 percent of any class of voting security of the affiliated entity; or

11 (B) to control in any manner the election of the
12 majority of directors or trustees of the affiliated entity.

13 (4) "Home state" means:

14 (A) for an insured that is not an affiliated
15 group described by Paragraph (B):

16 (i) the state in which the insured
17 maintains the insured's principal residence, if the insured is an
18 individual;

19 (ii) the state in which an insured that is
20 not an individual maintains its principal place of business; or

21 (iii) if 100 percent of the insured risk is
22 located outside of the state in which the insured maintains the
23 insured's principal residence or maintains the insured's principal
24 place of business, as applicable, the state to which the largest
25 percentage of the insured's taxable premium for the insurance
26 contract that covers the risk is allocated; or

27 (B) for an affiliated group with respect to which

1 more than one member is a named insured on a single insurance
2 contract subject to this chapter, the home state of the member, as
3 determined under Paragraph (A), that has the largest percentage of
4 premium attributed to it under the insurance contract.

5 (5) "Independently procured insurance" means
6 insurance procured directly by an insured from a nonadmitted
7 insurer.

8 (6) "Premium" means any payment made in consideration
9 for insurance and [~~,"premium"~~] includes [~~any consideration for~~
10 insurance, including]:

11 (A) [~~(1)~~] a premium;

12 (B) premium deposits;

13 (C) [~~(2)~~] a membership fee; [~~or~~]

14 (D) a registration fee;

15 (E) an assessment;

16 (F) [~~(3)~~] dues; and

17 (G) any other compensation given in
18 consideration for insurance.

19 SECTION 16.08. Section 226.052, Insurance Code, is amended
20 to read as follows:

21 Sec. 226.052. APPLICABILITY OF SUBCHAPTER. This subchapter
22 applies to an insured who procures an independently procured
23 insurance contract for any risk in which this state is the home
24 state of the insured [~~in accordance with Section 101.053(b)(4)].~~

25 SECTION 16.09. Section 226.053, Insurance Code, is amended
26 by amending Subsections (a) and (b) and adding Subsection (d) to
27 read as follows:

1 (a) A tax is imposed on each insured at the rate of 4.85
2 percent of the premium paid for the insurance contract procured in
3 accordance with Section 226.052 [~~101.053(b)(4)~~].

4 (b) If an independently procured insurance policy
5 [~~contract~~] covers risks or exposures only partially located in this
6 state and this state has not joined a cooperative agreement,
7 reciprocal agreement, or compact with another state for the
8 allocation of nonadmitted insurance taxes as authorized by Chapter
9 229, the tax is computed on the entire policy [~~portion of the~~]
10 premium for any policy in which this state is the home state of the
11 insured [~~that is properly allocated to a risk or exposure located in~~
12 ~~this state~~].

13 (d) If this state enters into a cooperative agreement,
14 reciprocal agreement, or compact with another state for the
15 allocation of nonadmitted insurance taxes as authorized by Chapter
16 229, the tax due on multistate policies shall be allocated and
17 reported in accordance with the agreement or compact.

18 SECTION 16.10. Section 981.008, Insurance Code, is amended
19 to read as follows:

20 Sec. 981.008. SURPLUS LINES INSURANCE PREMIUM TAX. The
21 premiums charged for surplus lines insurance are subject to the
22 premium tax, if applicable, imposed under Chapter 225.

23 SECTION 16.11. The following provisions are repealed:

- 24 (1) Sections 225.004(d) and (d-1), Insurance Code; and
- 25 (2) Section 226.053(b-1), Insurance Code.

26 SECTION 16.12. The changes in law made by this article to
27 Chapters 225 and 226, Insurance Code, apply only to an insurance

1 policy that is delivered, issued for delivery, or renewed on or
2 after July 21, 2011. A policy that is delivered, issued for
3 delivery, or renewed before July 21, 2011, is governed by the law as
4 it existed immediately before the effective date of this article,
5 and that law is continued in effect for that purpose.

6 SECTION 16.13. This article takes effect immediately if
7 this Act receives a vote of two-thirds of all the members elected to
8 each house, as provided by Section 39, Article III, Texas
9 Constitution. If this Act does not receive the vote necessary for
10 immediate effect, this article takes effect on the 91st day after
11 the last day of the legislative session.

12 ARTICLE 17. FISCAL MATTERS CONCERNING OIL AND GAS REGULATION

13 SECTION 17.01. Subsection (c), Section 81.0521, Natural
14 Resources Code, is amended to read as follows:

15 (c) Two-thirds of the proceeds from this fee, excluding
16 [~~including~~] any penalties collected in connection with the fee,
17 shall be deposited to the oil and gas regulation and [~~oil-field~~]
18 cleanup fund as provided by Section 81.067 [~~91.111~~].

19 SECTION 17.02. Subchapter C, Chapter 81, Natural Resources
20 Code, is amended by adding Sections 81.067 through 81.070 to read as
21 follows:

22 Sec. 81.067. OIL AND GAS REGULATION AND CLEANUP FUND.

23 (a) The oil and gas regulation and cleanup fund is created as an
24 account in the general revenue fund of the state treasury.

25 (b) The commission shall certify to the comptroller the date
26 on which the balance in the fund equals or exceeds \$20 million. The
27 oil-field cleanup regulatory fees on oil and gas shall not be

1 collected or required to be paid on or after the first day of the
2 second month following the certification, except that the
3 comptroller shall resume collecting the fees on receipt of a
4 commission certification that the fund has fallen below \$10
5 million. The comptroller shall continue collecting the fees until
6 collections are again suspended in the manner provided by this
7 subsection.

8 (c) The fund consists of:

9 (1) proceeds from bonds and other financial security
10 required by this chapter and benefits under well-specific plugging
11 insurance policies described by Section 91.104(c) that are paid to
12 the state as contingent beneficiary of the policies, subject to the
13 refund provisions of Section 91.1091, if applicable;

14 (2) private contributions, including contributions
15 made under Section 89.084;

16 (3) expenses collected under Section 89.083;

17 (4) fees imposed under Section 85.2021;

18 (5) costs recovered under Section 91.457 or 91.459;

19 (6) proceeds collected under Sections 89.085 and
20 91.115;

21 (7) interest earned on the funds deposited in the
22 fund;

23 (8) oil and gas waste hauler permit application fees
24 collected under Section 29.015, Water Code;

25 (9) costs recovered under Section 91.113(f);

26 (10) hazardous oil and gas waste generation fees
27 collected under Section 91.605;

1 (11) oil-field cleanup regulatory fees on oil
2 collected under Section 81.116;

3 (12) oil-field cleanup regulatory fees on gas
4 collected under Section 81.117;

5 (13) fees for a reissued certificate collected under
6 Section 91.707;

7 (14) fees collected under Section 91.1013;

8 (15) fees collected under Section 89.088;

9 (16) fees collected under Section 91.142;

10 (17) fees collected under Section 91.654;

11 (18) costs recovered under Sections 91.656 and 91.657;

12 (19) two-thirds of the fees collected under Section
13 81.0521;

14 (20) fees collected under Sections 89.024 and 89.026;

15 (21) legislative appropriations; and

16 (22) any surcharges collected under Section 81.070.

17 Sec. 81.068. PURPOSE OF OIL AND GAS REGULATION AND CLEANUP
18 FUND. Money in the oil and gas regulation and cleanup fund may be
19 used by the commission or its employees or agents for any purpose
20 related to the regulation of oil and gas development, including oil
21 and gas monitoring and inspections, oil and gas remediation, oil
22 and gas well plugging, public information and services related to
23 those activities, and administrative costs and state benefits for
24 personnel involved in those activities.

25 Sec. 81.069. REPORTING ON PROGRESS IN MEETING PERFORMANCE
26 GOALS FOR THE OIL AND GAS REGULATION AND CLEANUP FUND. (a) The
27 commission, through the legislative appropriations request

1 process, shall establish specific performance goals for the oil and
2 gas regulation and cleanup fund for the next biennium, including
3 goals for each quarter of each state fiscal year of the biennium for
4 the number of:

5 (1) orphaned wells to be plugged with state-managed
6 funds;

7 (2) abandoned sites to be investigated, assessed, or
8 cleaned up with state funds; and

9 (3) surface locations to be remediated.

10 (b) The commission shall provide quarterly reports to the
11 Legislative Budget Board that include:

12 (1) the following information with respect to the
13 period since the last report was provided as well as cumulatively:

14 (A) the amount of money deposited in the oil and
15 gas regulation and cleanup fund;

16 (B) the amount of money spent from the fund for
17 the purposes described by Subsection (a);

18 (C) the balance of the fund; and

19 (D) the commission's progress in meeting the
20 quarterly performance goals established under Subsection (a) and,
21 if the number of orphaned wells plugged with state-managed funds,
22 abandoned sites investigated, assessed, or cleaned up with state
23 funds, or surface locations remediated is at least five percent
24 less than the number projected in the applicable goal established
25 under Subsection (a), an explanation of the reason for the
26 variance; and

27 (2) any additional information or data requested in

1 writing by the Legislative Budget Board.

2 (c) The commission shall submit to the legislature and make
3 available to the public, annually, a report that reviews the extent
4 to which money provided under Section 81.067 has enabled the
5 commission to better protect the environment through oil-field
6 cleanup activities. The report must include:

7 (1) the performance goals established under
8 Subsection (a) for that state fiscal year, the commission's
9 progress in meeting those performance goals, and, if the number of
10 orphaned wells plugged with state-managed funds, abandoned sites
11 investigated, assessed, or cleaned up with state funds, or surface
12 locations remediated is at least five percent less than the number
13 projected in the applicable goal established under Subsection (a),
14 an explanation of the reason for the variance;

15 (2) the number of orphaned wells plugged with
16 state-managed funds, by region;

17 (3) the number of wells orphaned, by region;

18 (4) the number of inactive wells not currently in
19 compliance with commission rules, by region;

20 (5) the status of enforcement proceedings for all
21 wells in violation of commission rules and the period during which
22 the wells have been in violation, by region in which the wells are
23 located;

24 (6) the number of surface locations remediated, by
25 region;

26 (7) a detailed accounting of expenditures of money in
27 the fund for oil-field cleanup activities, including expenditures

1 for plugging of orphaned wells, investigation, assessment, and
2 cleaning up of abandoned sites, and remediation of surface
3 locations;

4 (8) the method by which the commission sets priorities
5 by which it determines the order in which orphaned wells are
6 plugged;

7 (9) a projection of the amount of money needed for the
8 next biennium for plugging orphaned wells, investigating,
9 assessing, and cleaning up abandoned sites, and remediating surface
10 locations; and

11 (10) the number of sites successfully remediated under
12 the voluntary cleanup program under Subchapter O, Chapter 91, by
13 region.

14 Sec. 81.070. ESTABLISHMENT OF SURCHARGES ON FEES.

15 (a) Except as provided by Subsection (b), the commission by rule
16 shall provide for the imposition of reasonable surcharges as
17 necessary on fees imposed by the commission that are required to be
18 deposited to the credit of the oil and gas regulation and cleanup
19 fund as provided by Section 81.067 in amounts sufficient to enable
20 the commission to recover the costs of performing the functions
21 specified by Section 81.068 from those fees and surcharges.

22 (b) The commission may not impose a surcharge on an
23 oil-field cleanup regulatory fee on oil collected under Section
24 81.116 or an oil-field cleanup regulatory fee on gas collected
25 under Section 81.117.

26 (c) The commission by rule shall establish a methodology for
27 determining the amount of a surcharge that takes into account:

1 (1) the time required for regulatory work associated
2 with the activity in connection with which the surcharge is
3 imposed;

4 (2) the number of individuals or entities from which
5 the commission's costs may be recovered;

6 (3) the effect of the surcharge on operators of all
7 sizes, as measured by the number of oil or gas wells operated;

8 (4) the balance in the oil and gas regulation and
9 cleanup fund; and

10 (5) any other factors the commission determines to be
11 important to the fair and equitable imposition of the surcharge.

12 (d) The commission shall collect a surcharge on a fee at the
13 time the fee is collected.

14 (e) A surcharge collected under this section shall be
15 deposited to the credit of the oil and gas regulation and cleanup
16 fund as provided by Section 81.067.

17 (f) A surcharge collected under this section shall not
18 exceed an amount equal to 185 percent of the fee on which it is
19 imposed.

20 SECTION 17.03. Section 81.115, Natural Resources Code, is
21 amended to read as follows:

22 Sec. 81.115. APPROPRIATIONS [PAYMENTS] TO COMMISSION FOR
23 OIL AND GAS REGULATION AND CLEANUP PURPOSES [DIVISION]. Money
24 appropriated to the [~~oil and gas division of the~~] commission under
25 the General Appropriations Act for the purposes described by
26 Section 81.068 shall be paid from the oil and gas regulation and
27 cleanup fund [~~General Revenue Fund~~].

1 SECTION 17.04. Subsections (d) and (e), Section 81.116,
2 Natural Resources Code, are amended to read as follows:

3 (d) The comptroller shall suspend collection of the fee in
4 the manner provided by Section 81.067 [~~91.111~~]. The exemptions and
5 reductions set out in Sections 202.052, 202.054, 202.056, 202.057,
6 202.059, and 202.060, Tax Code, do not affect the fee imposed by
7 this section.

8 (e) Proceeds from the fee, excluding [~~including~~] any
9 penalties collected in connection with the fee, shall be deposited
10 to the oil and gas regulation and [~~oil-field~~] cleanup fund as
11 provided by Section 81.067 [~~91.111 of this code~~].

12 SECTION 17.05. Subsections (d) and (e), Section 81.117,
13 Natural Resources Code, are amended to read as follows:

14 (d) The comptroller shall suspend collection of the fee in
15 the manner provided by Section 81.067 [~~91.111~~]. The exemptions and
16 reductions set out in Sections 201.053, 201.057, 201.058, and
17 202.060, Tax Code, do not affect the fee imposed by this section.

18 (e) Proceeds from the fee, excluding [~~including~~] any
19 penalties collected in connection with the fee, shall be deposited
20 to the oil and gas regulation and [~~oil-field~~] cleanup fund as
21 provided by Section 81.067 [~~91.111 of this code~~].

22 SECTION 17.06. Subsection (d), Section 85.2021, Natural
23 Resources Code, is amended to read as follows:

24 (d) All fees collected under this section shall be deposited
25 in the oil and gas regulation and [~~state oil-field~~] cleanup fund.

26 SECTION 17.07. Subsection (d), Section 89.024, Natural
27 Resources Code, is amended to read as follows:

1 (d) An operator who files an abeyance of plugging report
2 must pay an annual fee of \$100 for each well covered by the report.
3 A fee collected under this section shall be deposited in the oil and
4 gas regulation and [~~oil-field~~] cleanup fund.

5 SECTION 17.08. Subsection (d), Section 89.026, Natural
6 Resources Code, is amended to read as follows:

7 (d) An operator who files documentation described by
8 Subsection (a) must pay an annual fee of \$50 for each well covered
9 by the documentation. A fee collected under this section shall be
10 deposited in the oil and gas regulation and [~~oil-field~~] cleanup
11 fund.

12 SECTION 17.09. Subsection (d), Section 89.048, Natural
13 Resources Code, is amended to read as follows:

14 (d) On successful plugging of the well by the well plugger,
15 the surface estate owner may submit documentation to the commission
16 of the cost of the well-plugging operation. The commission shall
17 reimburse the surface estate owner from money in the oil and gas
18 regulation and [~~oil-field~~] cleanup fund in an amount not to exceed
19 50 percent of the lesser of:

20 (1) the documented well-plugging costs; or

21 (2) the average cost incurred by the commission in the
22 preceding 24 months in plugging similar wells located in the same
23 general area.

24 SECTION 17.10. Subsection (j), Section 89.083, Natural
25 Resources Code, is amended to read as follows:

26 (j) Money collected in a suit under this section shall be
27 deposited in the oil and gas regulation and [~~state oil-field~~]

1 cleanup fund.

2 SECTION 17.11. Subsection (d), Section 89.085, Natural
3 Resources Code, is amended to read as follows:

4 (d) The commission shall deposit money received from the
5 sale of well-site equipment or hydrocarbons under this section to
6 the credit of the oil and gas regulation and ~~[oil-field]~~ cleanup
7 fund. The commission shall separately account for money and credit
8 received for each well.

9 SECTION 17.12. The heading to Section 89.086, Natural
10 Resources Code, is amended to read as follows:

11 Sec. 89.086. CLAIMS AGAINST OIL AND GAS REGULATION AND ~~[THE~~
12 ~~OIL-FIELD]~~ CLEANUP FUND.

13 SECTION 17.13. Subsections (a) and (h) through (k), Section
14 89.086, Natural Resources Code, are amended to read as follows:

15 (a) A person with a legal or equitable ownership or security
16 interest in well-site equipment or hydrocarbons disposed of under
17 Section 89.085 ~~[of this code]~~ may make a claim against the oil and
18 gas regulation and ~~[oil-field]~~ cleanup fund unless an element of
19 the transaction giving rise to the interest occurs after the
20 commission forecloses its statutory lien under Section 89.083.

21 (h) The commission shall suspend an amount of money in the
22 oil and gas regulation and ~~[oil-field]~~ cleanup fund equal to the
23 amount of the claim until the claim is finally resolved. If the
24 provisions of Subsection (k) ~~[of this section]~~ prevent suspension
25 of the full amount of the claim, the commission shall treat the
26 claim as two consecutively filed claims, one in the amount of funds
27 available for suspension and the other in the remaining amount of

1 the claim.

2 (i) A claim made by or on behalf of the operator or a
3 nonoperator of a well or a successor to the rights of the operator
4 or nonoperator is subject to a ratable deduction from the proceeds
5 or credit received for the well-site equipment to cover the costs
6 incurred by the commission in removing the equipment or
7 hydrocarbons from the well or in transporting, storing, or
8 disposing of the equipment or hydrocarbons. A claim made by a
9 person who is not an operator or nonoperator is subject to a ratable
10 deduction for the costs incurred by the commission in removing the
11 equipment from the well. If a claimant is a person who is
12 responsible under law or commission rules for plugging the well or
13 cleaning up pollution originating on the lease or if the claimant
14 owes a penalty assessed by the commission or a court for a violation
15 of a commission rule or order, the commission may recoup from or
16 offset against a valid claim an expense incurred by the oil and gas
17 regulation and ~~oil-field~~ cleanup fund that is not otherwise
18 reimbursed or any penalties owed. An amount recouped from,
19 deducted from, or offset against a claim under this subsection
20 shall be treated as an invalid portion of the claim and shall remain
21 suspended in the oil and gas regulation and ~~oil-field~~ cleanup
22 fund in the manner provided by Subsection (j) ~~[of this section]~~.

23 (j) If the commission finds that a claim is valid in whole or
24 in part, the commission shall pay the valid portion of the claim
25 from the suspended amount in the oil and gas regulation and
26 ~~oil-field~~ cleanup fund not later than the 30th day after the date
27 of the commission's decision. If the commission finds that a claim

1 is invalid in whole or in part, the commission shall continue to
2 suspend in the oil and gas regulation and ~~oil-field~~ cleanup fund
3 an amount equal to the invalid portion of the claim until the period
4 during which the commission's decision may be appealed has expired
5 or, if appealed, during the period the case is under judicial
6 review. If on appeal the district court finds the claim valid in
7 whole or in part, the commission shall pay the valid portion of the
8 claim from the suspended amount in the oil and gas regulation and
9 ~~oil-field~~ cleanup fund not later than 30 days after the date the
10 court's judgment becomes unappealable. On the date the
11 commission's decision is not subject to judicial review, the
12 commission shall release from the suspended amount in the oil and
13 gas regulation and ~~oil-field~~ cleanup fund the amount of the claim
14 held to be invalid.

15 (k) If the aggregate of claims paid and money suspended that
16 relates to well-site equipment or hydrocarbons from a particular
17 well equals the total of the actual proceeds and credit realized
18 from the disposition of that equipment or those hydrocarbons, the
19 oil and gas regulation and ~~oil-field~~ cleanup fund is not liable
20 for any subsequently filed claims that relate to the same equipment
21 or hydrocarbons unless and until the commission releases from the
22 suspended amount money derived from the disposition of that
23 equipment or those hydrocarbons. If the commission releases money,
24 then the commission shall suspend money in the amount of
25 subsequently filed claims in the order of filing.

26 SECTION 17.14. Subsection (b), Section 89.121, Natural
27 Resources Code, is amended to read as follows:

1 (b) Civil penalties collected for violations of this
2 chapter or of rules relating to plugging that are adopted under this
3 code shall be deposited in the general revenue [~~state oil-field~~
4 ~~cleanup~~] fund.

5 SECTION 17.15. Subsection (c), Section 91.1013, Natural
6 Resources Code, is amended to read as follows:

7 (c) Fees collected under this section shall be deposited in
8 the oil and gas regulation and [~~state oil-field~~] cleanup fund.

9 SECTION 17.16. Section 91.108, Natural Resources Code, is
10 amended to read as follows:

11 Sec. 91.108. DEPOSIT AND USE OF FUNDS. Subject to the
12 refund provisions of Section 91.1091, if applicable, proceeds from
13 bonds and other financial security required pursuant to this
14 chapter and benefits under well-specific plugging insurance
15 policies described by Section 91.104(c) that are paid to the state
16 as contingent beneficiary of the policies shall be deposited in the
17 oil and gas regulation and [~~oil-field~~] cleanup fund and,
18 notwithstanding Sections 81.068 [~~91.112~~] and 91.113, may be used
19 only for actual well plugging and surface remediation.

20 SECTION 17.17. Subsection (a), Section 91.109, Natural
21 Resources Code, is amended to read as follows:

22 (a) A person applying for or acting under a commission
23 permit to store, handle, treat, reclaim, or dispose of oil and gas
24 waste may be required by the commission to maintain a performance
25 bond or other form of financial security conditioned that the
26 permittee will operate and close the storage, handling, treatment,
27 reclamation, or disposal site in accordance with state law,

1 commission rules, and the permit to operate the site. However, this
2 section does not authorize the commission to require a bond or other
3 form of financial security for saltwater disposal pits, emergency
4 saltwater storage pits (including blow-down pits), collecting
5 pits, or skimming pits provided that such pits are used in
6 conjunction with the operation of an individual oil or gas lease.
7 Subject to the refund provisions of Section 91.1091 [~~of this code~~],
8 proceeds from any bond or other form of financial security required
9 by this section shall be placed in the oil and gas regulation and
10 [~~oil-field~~] cleanup fund. Each bond or other form of financial
11 security shall be renewed and continued in effect until the
12 conditions have been met or release is authorized by the
13 commission.

14 SECTION 17.18. Subsections (a) and (f), Section 91.113,
15 Natural Resources Code, are amended to read as follows:

16 (a) If oil and gas wastes or other substances or materials
17 regulated by the commission under Section 91.101 are causing or are
18 likely to cause the pollution of surface or subsurface water, the
19 commission, through its employees or agents, may use money in the
20 oil and gas regulation and [~~oil-field~~] cleanup fund to conduct a
21 site investigation or environmental assessment or control or clean
22 up the oil and gas wastes or other substances or materials if:

23 (1) the responsible person has failed or refused to
24 control or clean up the oil and gas wastes or other substances or
25 materials after notice and opportunity for hearing;

26 (2) the responsible person is unknown, cannot be
27 found, or has no assets with which to control or clean up the oil and

1 gas wastes or other substances or materials; or

2 (3) the oil and gas wastes or other substances or
3 materials are causing the pollution of surface or subsurface water.

4 (f) If the commission conducts a site investigation or
5 environmental assessment or controls or cleans up oil and gas
6 wastes or other substances or materials under this section, the
7 commission may recover all costs incurred by the commission from
8 any person who was required by law, rules adopted by the commission,
9 or a valid order of the commission to control or clean up the oil and
10 gas wastes or other substances or materials. The commission by
11 order may require the person to reimburse the commission for those
12 costs or may request the attorney general to file suit against the
13 person to recover those costs. At the request of the commission,
14 the attorney general may file suit to enforce an order issued by the
15 commission under this subsection. A suit under this subsection may
16 be filed in any court of competent jurisdiction in Travis County.
17 Costs recovered under this subsection shall be deposited to the oil
18 and gas regulation and ~~oil-field~~ cleanup fund.

19 SECTION 17.19. Subsection (c), Section 91.264, Natural
20 Resources Code, is amended to read as follows:

21 (c) A penalty collected under this section shall be
22 deposited to the credit of the general revenue ~~[oil-field cleanup]~~
23 fund ~~[account]~~.

24 SECTION 17.20. Subsection (b), Section 91.457, Natural
25 Resources Code, is amended to read as follows:

26 (b) If a person ordered to close a saltwater disposal pit
27 under Subsection (a) ~~[of this section]~~ fails or refuses to close the

1 pit in compliance with the commission's order and rules, the
2 commission may close the pit using money from the oil and gas
3 regulation and [~~oil-field~~] cleanup fund and may direct the attorney
4 general to file suits in any courts of competent jurisdiction in
5 Travis County to recover applicable penalties and the costs
6 incurred by the commission in closing the saltwater disposal pit.

7 SECTION 17.21. Subsection (c), Section 91.459, Natural
8 Resources Code, is amended to read as follows:

9 (c) Any [~~penalties or~~] costs recovered by the attorney
10 general under this subchapter shall be deposited in the oil and gas
11 regulation and [~~oil-field~~] cleanup fund.

12 SECTION 17.22. Subsection (e), Section 91.605, Natural
13 Resources Code, is amended to read as follows:

14 (e) The fees collected under this section shall be deposited
15 in the oil and gas regulation and [~~oil-field~~] cleanup fund.

16 SECTION 17.23. Subsection (e), Section 91.654, Natural
17 Resources Code, is amended to read as follows:

18 (e) Fees collected under this section shall be deposited to
19 the credit of the oil and gas regulation and [~~oil-field~~] cleanup
20 fund under Section 81.067 [~~91.111~~].

21 SECTION 17.24. Subsection (b), Section 91.707, Natural
22 Resources Code, is amended to read as follows:

23 (b) Fees collected under this section shall be deposited to
24 the oil and gas regulation and [~~oil-field~~] cleanup fund.

25 SECTION 17.25. The heading to Section 121.211, Utilities
26 Code, is amended to read as follows:

27 Sec. 121.211. PIPELINE SAFETY AND REGULATORY FEES.

1 SECTION 17.26. Subsections (a) through (e) and (h), Section
2 121.211, Utilities Code, are amended to read as follows:

3 (a) The railroad commission by rule may adopt a [~~an~~
4 ~~inspection~~] fee to be assessed annually against operators of
5 natural gas distribution pipelines and their pipeline facilities
6 and natural gas master metered pipelines and their pipeline
7 facilities subject to this title [~~chapter~~].

8 (b) The railroad commission by rule shall establish the
9 method by which the fee will be calculated and assessed. In
10 adopting a fee structure, the railroad commission may consider any
11 factors necessary to provide for the equitable allocation among
12 operators of the costs of administering the railroad commission's
13 pipeline safety and regulatory program under this title [~~chapter~~].

14 (c) The total amount of fees estimated to be collected under
15 rules adopted by the railroad commission under this section may not
16 exceed the amount estimated by the railroad commission to be
17 necessary to recover the costs of administering the railroad
18 commission's pipeline safety and regulatory program under this
19 title [~~chapter~~], excluding costs that are fully funded by federal
20 sources.

21 (d) The commission may assess each operator of a natural gas
22 distribution system subject to this title [~~chapter~~] an annual
23 [~~inspection~~] fee not to exceed one dollar for each service line
24 reported by the system on the Distribution Annual Report, Form RSPA
25 F7100.1-1, due on March 15 of each year. The fee is due March 15 of
26 each year.

27 (e) The railroad commission may assess each operator of a

1 natural gas master metered system subject to this title [~~chapter~~]
2 an annual [~~inspection~~] fee not to exceed \$100 for each master
3 metered system. The fee is due June 30 of each year.

4 (h) A fee collected under this section shall be deposited to
5 the credit of the general revenue fund to be used for the pipeline
6 safety and regulatory program.

7 SECTION 17.27. Section 29.015, Water Code, is amended to
8 read as follows:

9 Sec. 29.015. APPLICATION FEE. With each application for
10 issuance, renewal, or material amendment of a permit, the applicant
11 shall submit to the railroad commission a nonrefundable fee of
12 \$100. Fees collected under this section shall be deposited in the
13 oil and gas regulation and [~~oil-field~~] cleanup fund.

14 SECTION 17.28. The following provisions of the Natural
15 Resources Code are repealed:

16 (1) Section 91.111; and

17 (2) Section 91.112.

18 SECTION 17.29. On the effective date of this article:

19 (1) the oil-field cleanup fund is abolished;

20 (2) any money remaining in the oil-field cleanup fund
21 is transferred to the oil and gas regulation and cleanup fund;

22 (3) any claim against the oil-field cleanup fund is
23 transferred to the oil and gas regulation and cleanup fund; and

24 (4) any amount required to be deposited to the credit
25 of the oil-field cleanup fund shall be deposited to the credit of
26 the oil and gas regulation and cleanup fund.

ARTICLE 18. FISCAL MATTERS REGARDING LEASING CERTAIN STATE
FACILITIES

SECTION 18.01. The heading to Section 2165.2035, Government Code, is amended to read as follows:

Sec. 2165.2035. LEASE OF SPACE IN STATE-OWNED PARKING LOTS AND GARAGES; USE AFTER HOURS.

SECTION 18.02. Subchapter E, Chapter 2165, Government Code, is amended by adding Sections 2165.204, 2165.2045, and 2165.2046 to read as follows:

Sec. 2165.204. LEASE OF SPACE IN STATE-OWNED PARKING LOTS AND GARAGES; EXCESS INDIVIDUAL PARKING SPACES. (a) The commission may lease to a private individual an individual parking space in a state-owned parking lot or garage located in the city of Austin that the commission determines is not needed to accommodate the regular parking requirements of state employees who work near the lot or garage and visitors to nearby state government offices.

(b) Money received from a lease under this section shall be deposited to the credit of the general revenue fund.

(c) In leasing a parking space under Subsection (a), the commission must ensure that the lease does not restrict uses for parking lots and garages developed under Section 2165.2035, including special event parking related to institutions of higher education.

(d) In leasing or renewing a lease for a parking space under Subsection (a), the commission shall give preference to an individual who is currently leasing or previously leased the parking space.

1 Sec. 2165.2045. LEASE OF SPACE IN STATE-OWNED PARKING LOTS
2 AND GARAGES; EXCESS BLOCKS OF PARKING SPACE. (a) The commission
3 may lease to an institution of higher education or a local
4 government all or a significant block of a state-owned parking lot
5 or garage located in the city of Austin that the commission
6 determines is not needed to accommodate the regular parking
7 requirements of state employees who work near the lot or garage and
8 visitors to nearby state government offices.

9 (b) Money received from a lease under this section shall be
10 deposited to the credit of the general revenue fund.

11 (c) In leasing all or a block of a state-owned parking lot or
12 garage under Subsection (a), the commission must ensure that the
13 lease does not restrict uses for parking lots and garages developed
14 under Section 2165.2035, including special event parking related to
15 institutions of higher education.

16 (d) In leasing or renewing a lease for all or a block of a
17 state-owned parking lot or garage under Subsection (a), the
18 commission shall give preference to an entity that is currently
19 leasing or previously leased the lot or garage or a block of the lot
20 or garage.

21 Sec. 2165.2046. REPORTS ON PARKING PROGRAMS. On or before
22 October 1 of each even-numbered year, the commission shall submit a
23 report to the Legislative Budget Board describing the effectiveness
24 of parking programs developed by the commission under this
25 subchapter. The report must, at a minimum, include:

26 (1) the yearly revenue generated by the programs;

27 (2) the yearly administrative and enforcement costs of

1 each program;

2 (3) yearly usage statistics for each program; and

3 (4) initiatives and suggestions by the commission to:

4 (A) modify administration of the programs; and

5 (B) increase revenue generated by the programs.

6 SECTION 18.03. This article takes effect immediately if
7 this Act receives a vote of two-thirds of all the members elected to
8 each house, as provided by Section 39, Article III, Texas
9 Constitution. If this Act does not receive the vote necessary for
10 immediate effect, this article takes effect on the 91st day after
11 the last day of the legislative session.

12 ARTICLE 19. FISCAL MATTERS RELATING TO SECRETARY OF STATE

13 SECTION 19.01. Section 405.014, Government Code, is amended
14 to read as follows:

15 Sec. 405.014. ACTS OF THE LEGISLATURE. (a) At each
16 session of the legislature the secretary of state shall obtain the
17 bills that have become law. Immediately after the closing of each
18 session of the legislature, the secretary of state shall bind all
19 enrolled bills and resolutions in volumes on which the date of the
20 session is placed.

21 (b) As soon as practicable after the closing of each session
22 of the legislature, the secretary of state shall publish and
23 maintain electronically the bills enacted at that session. The
24 electronic publication must be:

25 (1) indexed by bill number and assigned chapter number
26 for each bill; and

27 (2) made available by an electronic link on the

1 secretary of state's generally accessible Internet website.

2 SECTION 19.02. Subchapter B, Chapter 2158, Government Code,
3 is repealed.

4 SECTION 19.03. The change in law made by this article does
5 not apply to a contract for the publication of the laws of this
6 state entered into before the effective date of this article.

7 SECTION 19.04. This article takes effect immediately if
8 this Act receives a vote of two-thirds of all the members elected to
9 each house, as provided by Section 39, Article III, Texas
10 Constitution. If this Act does not receive the vote necessary for
11 immediate effect, this article takes effect on the 91st day after
12 the last day of the legislative session.

13 ARTICLE 20. FISCAL MATTERS REGARDING ATTORNEY GENERAL

14 SECTION 20.01. Section 402.006, Government Code, is amended
15 by adding Subsection (e) to read as follows:

16 (e) The attorney general may charge a reasonable fee for the
17 electronic filing of a document.

18 SECTION 20.02. The heading to Section 402.0212, Government
19 Code, is amended to read as follows:

20 Sec. 402.0212. PROVISION OF LEGAL SERVICES--OUTSIDE
21 COUNSEL; FEEES.

22 SECTION 20.03. Section 402.0212, Government Code, is
23 amended by amending Subsections (b) and (c) and adding Subsections
24 (d), (e), and (f) to read as follows:

25 (b) An invoice submitted to a state agency under a contract
26 for legal services as described by Subsection (a) must be reviewed
27 by the attorney general to determine whether the invoice is

1 eligible for payment.

2 (c) An attorney or law firm must pay an administrative fee
3 to the attorney general for the review described in Subsection (b)
4 when entering into a contract to provide legal services to a state
5 agency.

6 (d) For purposes of this section, the functions of a hearing
7 examiner, administrative law judge, or other quasi-judicial
8 officer are not considered legal services.

9 (e) [~~(c)~~] This section shall not apply to the Texas Turnpike
10 Authority division of the Texas Department of Transportation.

11 (f) The attorney general may adopt rules as necessary to
12 implement and administer this section.

13 SECTION 20.04. Section 371.051, Transportation Code, is
14 amended to read as follows:

15 Sec. 371.051. ATTORNEY GENERAL REVIEW AND EXAMINATION FEE.

16 (a) A toll project entity may not enter into a comprehensive
17 development agreement unless the attorney general reviews the
18 proposed agreement and determines that it is legally sufficient.

19 (b) A toll project entity shall pay a nonrefundable
20 examination fee to the attorney general on submitting a proposed
21 comprehensive development agreement for review. At the time the
22 examination fee is paid, the toll project entity shall also submit
23 for review a complete transcript of proceedings related to the
24 comprehensive development agreement.

25 (c) If the toll project entity submits multiple proposed
26 comprehensive development agreements relating to the same toll
27 project for review, the entity shall pay the examination fee under

1 Subsection (b) for each proposed comprehensive development
2 agreement.

3 (d) The attorney general shall provide a legal sufficiency
4 determination not later than the 60th business day after the date
5 the examination fee and transcript of the proceedings required
6 under Subsection (b) are received. If the attorney general cannot
7 provide a legal sufficiency determination within the
8 60-business-day period, the attorney general shall notify the toll
9 project entity in writing of the reason for the delay and may extend
10 the review period for not more than 30 business days.

11 (e) After the attorney general issues a legal sufficiency
12 determination, a toll project entity may supplement the transcript
13 of proceedings or amend the comprehensive development agreement to
14 facilitate a redetermination by the attorney general of the prior
15 legal sufficiency determination issued under this section.

16 (f) The toll project entity may collect or seek
17 reimbursement of the examination fee under Subsection (b) from the
18 private participant.

19 (g) The attorney general by rule shall set the examination
20 fee required under Subsection (b) in a reasonable amount and may
21 adopt other rules as necessary to implement this section. The fee
22 may not be set in an amount that is determined by a percentage of the
23 cost of the toll project. The amount of the fee may not exceed
24 reasonable attorney's fees charged for similar legal services in
25 the private sector.

26 SECTION 20.05. The fee prescribed by Section 402.006,
27 Government Code, as amended by this article, applies only to a

1 document electronically submitted to the office of the attorney
2 general on or after the effective date of this article.

3 SECTION 20.06. The fee prescribed by Section 402.0212,
4 Government Code, as amended by this article, applies only to
5 invoices for legal services submitted to the office of the attorney
6 general for review on or after the effective date of this article.

7 SECTION 20.07. The fee prescribed by Section 371.051,
8 Transportation Code, as amended by this article, applies only to a
9 comprehensive development agreement submitted to the office of the
10 attorney general on or after the effective date of this article.

11 SECTION 20.08. The changes in law made by this article apply
12 only to a contract for legal services between a state agency and a
13 private attorney or law firm entered into on or after the effective
14 date of this article. A contract for legal services between a state
15 agency and a private attorney or law firm entered into before the
16 effective date of this article is governed by the law in effect at
17 the time the contract was entered into, and the former law is
18 continued in effect for that purpose.

19 SECTION 20.09. Except as otherwise provided by this
20 article, this article takes effect immediately if this Act receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 article takes effect on the 91st day after the last day of the
25 legislative session.

26 ARTICLE 21. TEXAS PRESERVATION TRUST FUND ACCOUNT

27 SECTION 21.01. Subsections (a), (b), and (f), Section

1 442.015, Government Code, are amended to read as follows:

2 (a) Notwithstanding Section [~~Sections 403.094 and~~] 403.095,
3 the Texas preservation trust fund account is a separate account in
4 the general revenue fund. The account consists of transfers made to
5 the account, loan repayments, grants and donations made for the
6 purposes of this program, proceeds of sales, income earned
7 [~~earnings~~] on money in the account, and any other money received
8 under this section. Money in [~~Distributions from~~] the account may
9 be used only for the purposes of this section and [~~may not be used~~]
10 to pay operating expenses of the commission. Money allocated to the
11 commission's historic preservation grant program shall be
12 deposited to the credit of the account. Income earned [~~Earnings~~] on
13 money in the account shall be deposited to the credit of the
14 account.

15 (b) The commission may use money in [~~distributions from~~] the
16 Texas preservation trust fund account to provide financial
17 assistance to public or private entities for the acquisition,
18 survey, restoration, or preservation, or for planning and
19 educational activities leading to the preservation, of historic
20 property in the state that is listed in the National Register of
21 Historic Places or designated as a State Archeological Landmark or
22 Recorded Texas Historic Landmark, or that the commission determines
23 is eligible for such listing or designation. The financial
24 assistance may be in the amount and form and according to the terms
25 that the commission by rule determines. The commission shall give
26 priority to property the commission determines to be endangered by
27 demolition, neglect, underuse, looting, vandalism, or other threat

1 to the property. Gifts and grants deposited to the credit of the
2 account specifically for any eligible projects may be used only for
3 the type of projects specified. If such a specification is not
4 made, the gift or grant shall be unencumbered and accrue to the
5 benefit of the Texas preservation trust fund account. If such a
6 specification is made, the entire amount of the gift or grant may be
7 used during any period for the project or type of project specified.

8 (f) The advisory board shall recommend to the commission
9 rules for administering this section [~~Subsections (a)-(e)~~].

10 SECTION 21.02. Subsections (h), (i), (j), (k), and (l),
11 Section 442.015, Government Code, are repealed.

12 SECTION 21.03. The comptroller of public accounts and the
13 Texas Historical Commission shall enter into a memorandum of
14 understanding to facilitate the conversion of assets of the Texas
15 preservation trust fund account into cash for deposit into the
16 state treasury using a method that provides for the lowest amount of
17 revenue loss to the state.

18 SECTION 21.04. This article takes effect November 1, 2011.

19 ARTICLE 22. FISCAL MATTERS CONCERNING INFORMATION TECHNOLOGY

20 SECTION 22.01. Section 2054.380, Government Code, is
21 amended to read as follows:

22 Sec. 2054.380. FEES. (a) The department shall set and
23 charge a fee to each state agency that receives a service from a
24 statewide technology center in an amount sufficient to cover the
25 direct and indirect cost of providing the service.

26 (b) Revenue derived from the collection of fees imposed
27 under Subsection (a) may be appropriated to the department for:

1 (1) developing statewide information resources
2 technology policies and planning under this chapter and Chapter
3 2059; and

4 (2) providing shared information resources technology
5 services under this chapter.

6 SECTION 22.02. Subsection (d), Section 2157.068,
7 Government Code, is amended to read as follows:

8 (d) The department may charge a reasonable administrative
9 fee to a state agency, political subdivision of this state, or
10 governmental entity of another state that purchases commodity items
11 through the department in an amount that is sufficient to recover
12 costs associated with the administration of this section. Revenue
13 derived from the collection of fees imposed under this subsection
14 may be appropriated to the department for:

15 (1) developing statewide information resources
16 technology policies and planning under Chapters 2054 and 2059; and

17 (2) providing shared information resources technology
18 services under Chapter 2054.

19 SECTION 22.03. Subsections (a) and (d), Section 2170.057,
20 Government Code, are amended to read as follows:

21 (a) The department shall develop a system of billings and
22 charges for services provided in operating and administering the
23 consolidated telecommunications system that allocates the total
24 state cost to each entity served by the system based on
25 proportionate usage. The department shall set and charge a fee to
26 each entity that receives services provided under this chapter in
27 an amount sufficient to cover the direct and indirect costs of

1 providing the service. Revenue derived from the collection of fees
2 imposed under this subsection may be appropriated to the department
3 for:

4 (1) developing statewide information resources
5 technology policies and planning under Chapters 2054 and 2059; and

6 (2) providing:

7 (A) shared information resources technology
8 services under Chapter 2054; and

9 (B) network security services under Chapter
10 2059.

11 (d) The department shall maintain in the revolving fund
12 account sufficient amounts to pay the bills of the consolidated
13 telecommunications system and the centralized capitol complex
14 telephone system. ~~[The department shall certify amounts that~~
15 ~~exceed this amount to the comptroller, and the comptroller shall~~
16 ~~transfer the excess amounts to the credit of the statewide network~~
17 ~~applications account established by Section 2054.011.]~~

18 SECTION 22.04. This article takes effect immediately if
19 this Act receives a vote of two-thirds of all the members elected to
20 each house, as provided by Section 39, Article III, Texas
21 Constitution. If this Act does not receive the vote necessary for
22 immediate effect, this article takes effect on the 91st day after
23 the last day of the legislative session.

24 ARTICLE 23. CONTINUING LEGAL EDUCATION REQUIREMENTS FOR ATTORNEY
25 EMPLOYED BY ATTORNEY GENERAL

26 SECTION 23.01. Section 81.113, Government Code, is amended
27 by adding Subsection (a-1) to read as follows:

1 Code, is amended to read as follows:

2 (c) The registration fee and registration renewal fee are:

3 (1) \$150 [~~\$100~~] for a registrant employed by an
4 organization exempt from federal income tax under Section
5 501(c)(3), ~~[or]~~ 501(c)(4), or 501(c)(6), Internal Revenue Code of
6 1986;

7 (2) \$75 [~~\$50~~] for any person required to register
8 solely because the person is required to register under Section
9 305.0041 [~~of this chapter~~]; or

10 (3) \$750 [~~\$500~~] for any other registrant.

11 ARTICLE 25. PUBLIC ASSISTANCE REPORTING INFORMATION SYSTEM

12 SECTION 25.01. Subsection (c), Section 434.017, Government
13 Code, is amended to read as follows:

14 (c) Money in the fund may only be appropriated to the Texas
15 Veterans Commission. Money appropriated under this subsection
16 shall be used to:

17 (1) [~~enhance or improve veterans' assistance programs,~~
18 ~~including veterans' representation and counseling,~~

19 [~~(2)~~] make grants to address veterans' needs; [~~and~~]

20 (2) [~~(3)~~] administer the fund; and

21 (3) analyze and investigate data received from the
22 federal Public Assistance Reporting Information System (PARIS)
23 that is administered by the Administration for Children and
24 Families of the United States Department of Health and Human
25 Services.

1 ARTICLE 26. REGIONAL POISON CONTROL CENTER MANAGEMENT CONTROLS AND
2 EFFICIENCY

3 SECTION 26.01. Section 777.001, Health and Safety Code, is
4 amended by amending Subsection (c) and adding Subsection (d) to
5 read as follows:

6 (c) The Commission on State Emergency Communications may
7 standardize the operations of and implement management controls to
8 improve the efficiency of regional poison control centers [~~vote to~~
9 ~~designate a seventh regional or satellite poison control center in~~
10 ~~Harris County. That poison control center is subject to all~~
11 ~~provisions of this chapter and other law relating to regional~~
12 ~~poison control centers~~].

13 (d) If the Commission on State Emergency Communications
14 implements management controls under Subsection (c), the
15 commission shall submit to the governor and the Legislative Budget
16 Board a plan for implementing the controls not later than October
17 31, 2011. This subsection expires January 1, 2013.

18 ARTICLE 27. AUTHORIZED USES FOR CERTAIN DEDICATED PERMANENT FUNDS

19 SECTION 27.01. Section 403.105, Government Code, is amended
20 by amending Subsection (b) and adding Subsection (b-1) to read as
21 follows:

22 (b) Except as provided by Subsections (b-1), (c), (e), (f),
23 and (h), money in the fund may not be appropriated for any purpose.

24 (b-1) Notwithstanding the limitations and requirements of
25 Section 403.1068, the legislature may appropriate money in the
26 fund, including the corpus and available earnings of the fund
27 determined under Section 403.1068, to pay the principal of or

1 interest on a bond issued for the purposes of Section 67, Article
2 III, Texas Constitution. This subsection does not authorize the
3 appropriation under this subsection of money subject to a
4 limitation or requirement as described by Subsection (e) that is
5 not consistent with the use of the money in accordance with this
6 subsection.

7 SECTION 27.02. Section 403.1055, Government Code, is
8 amended by amending Subsection (b) and adding Subsection (b-1) to
9 read as follows:

10 (b) Except as provided by Subsections (b-1), (c), (e), (f),
11 and (h), money in the fund may not be appropriated for any purpose.

12 (b-1) Notwithstanding the limitations and requirements of
13 Section 403.1068, the legislature may appropriate money in the
14 fund, including the corpus and available earnings of the fund
15 determined under Section 403.1068, to pay the principal of or
16 interest on a bond issued for the purposes of Section 67, Article
17 III, Texas Constitution. This subsection does not authorize the
18 appropriation under this subsection of money subject to a
19 limitation or requirement as described by Subsection (e) that is
20 not consistent with the use of the money in accordance with this
21 subsection.

22 SECTION 27.03. Section 403.106, Government Code, is amended
23 by amending Subsection (b) and adding Subsection (b-1) to read as
24 follows:

25 (b) Except as provided by Subsections (b-1), (c), (e), (f),
26 and (h), money in the fund may not be appropriated for any purpose.

27 (b-1) Notwithstanding the limitations and requirements of

1 Section 403.1068, the legislature may appropriate money in the
2 fund, including the corpus and available earnings of the fund
3 determined under Section 403.1068, to pay the principal of or
4 interest on a bond issued for the purposes of Section 67, Article
5 III, Texas Constitution. This subsection does not authorize the
6 appropriation under this subsection of money subject to a
7 limitation or requirement as described by Subsection (e) that is
8 not consistent with the use of the money in accordance with this
9 subsection.

10 SECTION 27.04. This article takes effect immediately if
11 this Act receives a vote of two-thirds of all the members elected to
12 each house, as provided by Section 39, Article III, Texas
13 Constitution. If this Act does not receive the vote necessary for
14 immediate effect, this article takes effect on the 91st day after
15 the last day of the legislative session.

16 ARTICLE 28. FISCAL MATTERS CONCERNING SURPLUS AND SALVAGE PROPERTY

17 SECTION 28.01. Subchapter C, Chapter 2175, Government Code,
18 is repealed.

19 SECTION 28.02. Subsection (a), Section 32.102, Education
20 Code, is amended to read as follows:

21 (a) As provided by this subchapter, a school district or
22 open-enrollment charter school may transfer to a student enrolled
23 in the district or school:

24 (1) any data processing equipment donated to the
25 district or school, including equipment donated by:

26 (A) a private donor; or

27 (B) a state eleemosynary institution or a state

1 agency under Section 2175.905 [~~2175.128~~], Government Code;

2 (2) any equipment purchased by the district or school,
3 to the extent consistent with Section 32.105; and

4 (3) any surplus or salvage equipment owned by the
5 district or school.

6 SECTION 28.03. Section 2175.002, Government Code, is
7 amended to read as follows:

8 Sec. 2175.002. ADMINISTRATION OF CHAPTER. The commission is
9 responsible for the disposal of surplus and salvage property of the
10 state. The commission's surplus and salvage property division shall
11 administer this chapter.

12 SECTION 28.04. Section 2175.065, Government Code, is
13 amended by amending Subsection (a) and adding Subsections (c) and
14 (d) to read as follows:

15 (a) The commission may authorize a state agency to dispose
16 of surplus or salvage property if the agency demonstrates to the
17 commission its ability to dispose of the property under this
18 chapter [~~Subchapters C and E~~] in a manner that results in cost
19 savings to the state, under commission rules adopted under this
20 chapter.

21 (c) If property is disposed of under this section, the
22 disposing state agency shall report the transaction to the
23 commission. The report must include a description of the property
24 disposed of, the reasons for disposal, the price paid for the
25 property disposed of, and the recipient of the property disposed
26 of.

27 (d) If the commission determines that a violation of a state

1 law or rule has occurred based on the report under Subsection (c),
2 the commission shall report the violation to the Legislative Budget
3 Board.

4 SECTION 28.05. The heading to Subchapter D, Chapter 2175,
5 Government Code, is amended to read as follows:

6 SUBCHAPTER D. DISPOSITION OF SURPLUS OR SALVAGE PROPERTY [~~BY~~
7 ~~COMMISSION~~]

8 SECTION 28.06. Section 2175.181, Government Code, is
9 amended to read as follows:

10 Sec. 2175.181. APPLICABILITY. [~~(a) This subchapter applies~~
11 ~~only to surplus and salvage property located in:~~

12 [~~(1) Travis County,~~

13 [~~(2) a county in which federal surplus property is~~
14 ~~warehoused by the commission under Subchapter C, or~~

15 [~~(3) a county for which the commission determines that~~
16 ~~it is cost-effective to follow the procedures created under this~~
17 ~~subchapter and informs affected state agencies of that~~
18 ~~determination.~~

19 [(~~b~~)] This subchapter applies [~~does not apply~~] to a state
20 agency delegated the authority to dispose of surplus or salvage
21 property under Section 2175.065.

22 SECTION 28.07. Section 2175.182, Government Code, is
23 amended to read as follows:

24 Sec. 2175.182. STATE AGENCY TRANSFER OF PROPERTY [~~TO~~
25 ~~COMMISSION~~]. (a) A state agency that determines it has surplus or
26 salvage property shall inform the commission of that fact for the
27 purpose of determining the method of disposal of the property. [~~The~~

1 ~~commission is responsible for the disposal of surplus or salvage~~
2 ~~property under this subchapter.]~~ The commission may take physical
3 possession of the property.

4 (b) Based on the condition of the property, the commission,
5 in conjunction with the state agency, shall determine whether the
6 property is:

7 (1) surplus property that should be offered for
8 transfer under Section 2175.184 or sold to the public; or

9 (2) salvage property.

10 (c) Following the determination in Subsection (b), the
11 ~~[The]~~ commission shall direct the state agency to inform the
12 comptroller's office of the property's kind, number, location,
13 condition, original cost or value, and date of acquisition.

14 SECTION 28.08. Section 2175.1825, Government Code, is
15 amended to read as follows:

16 Sec. 2175.1825. ADVERTISING ON COMPTROLLER WEBSITE. (a) Not
17 later than the second day after the date the comptroller receives
18 notice from a state agency ~~[the commission]~~ under Section
19 2175.182(c), the comptroller shall advertise the property's kind,
20 number, location, and condition on the comptroller's website.

21 (b) The comptroller shall provide the commission access to
22 all records in the state property accounting system related to
23 surplus and salvage property.

24 SECTION 28.09. Section 2175.183, Government Code, is
25 amended to read as follows:

26 Sec. 2175.183. COMMISSION NOTICE TO OTHER ENTITIES. The ~~[On~~
27 ~~taking responsibility for surplus property under this subchapter,~~

1 ~~the~~] commission shall inform other state agencies, political
2 subdivisions, and assistance organizations of the comptroller's
3 website that lists surplus property that is available for sale.

4 SECTION 28.10. Section 2175.184, Government Code, is
5 amended to read as follows:

6 Sec. 2175.184. DIRECT TRANSFER. During the 10 business
7 days after the date the property is posted on the comptroller's
8 website, a state agency, political subdivision, or assistance
9 organization shall ~~may~~ coordinate with the commission for a
10 transfer of the property at a price established by the commission
11 ~~[in cooperation with the transferring agency]~~. A transfer to a
12 state agency has priority over any other transfer during this
13 period.

14 SECTION 28.11. Subsection (a), Section 2175.186,
15 Government Code, is amended to read as follows:

16 (a) If a disposition of a state agency's surplus property is
17 not made under Section 2175.184, the commission shall sell the
18 property by competitive bid, auction, or direct sale to the public,
19 including a sale using an Internet auction site. The commission may
20 contract with a private vendor to assist with the sale of the
21 property.

22 SECTION 28.12. Section 2175.189, Government Code, is
23 amended to read as follows:

24 Sec. 2175.189. ADVERTISEMENT OF SALE. If the value of an
25 item or a lot of property to be sold is estimated to be more than
26 \$25,000 ~~[\$5,000]~~, the commission shall advertise the sale at least
27 once in at least one newspaper of general circulation in the

1 vicinity in which the property is located.

2 SECTION 28.13. Subsection (a), Section 2175.191,
3 Government Code, is amended to read as follows:

4 (a) Proceeds from the sale of surplus or salvage property,
5 less the cost of advertising the sale, the cost of selling the
6 surplus or salvage property, including the cost of auctioneer
7 services or assistance from a private vendor, and the amount of the
8 fee collected under Section 2175.188, shall be deposited to the
9 credit of the general revenue fund of the state treasury.

10 SECTION 28.14. Section 2175.302, Government Code, is
11 amended to read as follows:

12 Sec. 2175.302. EXCEPTION FOR ELEEMOSYNARY INSTITUTIONS.
13 Except as provided by Section 2175.905(b) [~~2175.128(b)~~], this
14 chapter does not apply to the disposition of surplus or salvage
15 property by a state eleemosynary institution.

16 SECTION 28.15. Section 2175.904, Government Code, is
17 amended by amending Subsections (a) and (c) and adding Subsection
18 (d) to read as follows:

19 (a) The commission shall establish a program for the sale of
20 gambling equipment received from a municipality, from a
21 commissioners court under Section 263.152(a)(5), Local Government
22 Code, or from a state agency under this chapter.

23 (c) Proceeds from the sale of gambling equipment from a
24 municipality or commissioners court, less the costs of the sale,
25 including costs of advertising, storage, shipping, and auctioneer
26 or broker services, and the amount of the fee collected under
27 Section 2175.188 [~~2175.131~~], shall be divided according to an

1 agreement between the commission and the municipality or
2 commissioners court that provided the equipment for sale. The
3 agreement must provide that:

4 (1) not less than 50 percent of the net proceeds be
5 remitted to the commissioners court; and

6 (2) the remainder of the net proceeds retained by the
7 commission be deposited to the credit of the general revenue fund.

8 (d) Proceeds from the sale of gambling equipment from a
9 state agency, less the costs of the sale, including costs of
10 advertising, storage, shipping, and auctioneer or broker services,
11 and the amount of the fee collected under Section 2175.188, shall be
12 deposited to the credit of the general revenue fund of the state
13 treasury.

14 SECTION 28.16. Subchapter Z, Chapter 2175, Government Code,
15 is amended by adding Sections 2175.905 and 2175.906 to read as
16 follows:

17 Sec. 2175.905. DISPOSITION OF DATA PROCESSING EQUIPMENT.

18 (a) If a disposition of a state agency's surplus or salvage data
19 processing equipment is not made under Section 2175.184, the state
20 agency shall transfer the equipment to:

21 (1) a school district or open-enrollment charter
22 school in this state under Subchapter C, Chapter 32, Education
23 Code;

24 (2) an assistance organization specified by the school
25 district; or

26 (3) the Texas Department of Criminal Justice.

27 (b) If a disposition of the surplus or salvage data

1 processing equipment of a state eleemosynary institution or an
2 institution or agency of higher education is not made under other
3 law, the institution or agency shall transfer the equipment to:

4 (1) a school district or open-enrollment charter
5 school in this state under Subchapter C, Chapter 32, Education
6 Code;

7 (2) an assistance organization specified by the school
8 district; or

9 (3) the Texas Department of Criminal Justice.

10 (c) The state eleemosynary institution or institution or
11 agency of higher education or other state agency may not collect a
12 fee or other reimbursement from the district, the school, the
13 assistance organization, or the Texas Department of Criminal
14 Justice for the surplus or salvage data processing equipment
15 transferred under this section.

16 Sec. 2175.906. ABOLISHED AGENCIES. On abolition of a state
17 agency, in accordance with Chapter 325, the commission shall take
18 custody of all of the agency's property or other assets as surplus
19 property unless other law or the legislature designates another
20 appropriate governmental entity to take custody of the property or
21 assets.

22 ARTICLE 29. SALES AND USE TAX COLLECTION AND ALLOCATION

23 SECTION 29.01. Subsection (b), Section 151.008, Tax Code,
24 is amended to read as follows:

25 (b) "Seller" and "retailer" include:

26 (1) a person in the business of making sales at auction
27 of tangible personal property owned by the person or by another;

1 (2) a person who makes more than two sales of taxable
2 items during a 12-month period, including sales made in the
3 capacity of an assignee for the benefit of creditors or receiver or
4 trustee in bankruptcy;

5 (3) a person regarded by the comptroller as a seller or
6 retailer under Section 151.024 [~~of this code~~];

7 (4) a hotel, motel, or owner or lessor of an office or
8 residential building or development that contracts and pays for
9 telecommunications services for resale to guests or tenants; [~~and~~]

10 (5) a person who engages in regular or systematic
11 solicitation of sales of taxable items in this state by the
12 distribution of catalogs, periodicals, advertising flyers, or
13 other advertising, by means of print, radio, or television media,
14 or by mail, telegraphy, telephone, computer data base, cable,
15 optic, microwave, or other communication system for the purpose of
16 effecting sales of taxable items; and

17 (6) a person who, under an agreement with another
18 person, is:

19 (A) entrusted with possession of tangible
20 personal property with respect to which the other person has title
21 or another ownership interest; and

22 (B) authorized to sell, lease, or rent the
23 property without additional action by the person having title to or
24 another ownership interest in the property.

25 SECTION 29.02. Section 151.107, Tax Code, is amended by
26 amending Subsection (a) and adding Subsection (d) to read as
27 follows:

1 (a) For the purpose of this subchapter and in relation to
2 the use tax, a retailer is engaged in business in this state if the
3 retailer:

4 (1) maintains, occupies, or uses in this state
5 permanently, temporarily, directly, or indirectly or through a
6 subsidiary or agent by whatever name, an office, [~~place of~~]
7 distribution center, sales or sample room or place, warehouse,
8 storage place, or any other physical location where [~~place of~~]
9 business is conducted;

10 (2) has a representative, agent, salesman, canvasser,
11 or solicitor operating in this state under the authority of the
12 retailer or its subsidiary for the purpose of selling or delivering
13 or the taking of orders for a taxable item;

14 (3) derives receipts [~~rentals~~] from the sale, [~~a~~]
15 lease, or rental of tangible personal property situated in this
16 state;

17 (4) engages in regular or systematic solicitation of
18 sales of taxable items in this state by the distribution of
19 catalogs, periodicals, advertising flyers, or other advertising,
20 by means of print, radio, or television media, or by mail,
21 telegraphy, telephone, computer data base, cable, optic,
22 microwave, or other communication system for the purpose of
23 effecting sales of taxable items;

24 (5) solicits orders for taxable items by mail or
25 through other media and under federal law is subject to or permitted
26 to be made subject to the jurisdiction of this state for purposes of
27 collecting the taxes imposed by this chapter;

1 (6) has a franchisee or licensee operating under its
2 trade name if the franchisee or licensee is required to collect the
3 tax under this section; ~~or~~

4 (7) holds a substantial ownership interest in, or is
5 owned in whole or substantial part by, a person who maintains a
6 location in this state from which business is conducted and if:

7 (A) the retailer sells the same or a
8 substantially similar line of products as the person with the
9 location in this state and sells those products under a business
10 name that is the same as or substantially similar to the business
11 name of the person with the location in this state; or

12 (B) the facilities or employees of the person
13 with the location in this state are used to:

14 (i) advertise, promote, or facilitate sales
15 by the retailer to consumers; or

16 (ii) perform any other activity on behalf
17 of the retailer that is intended to establish or maintain a
18 marketplace for the retailer in this state, including receiving or
19 exchanging returned merchandise;

20 (8) holds a substantial ownership interest in, or is
21 owned in whole or substantial part by, a person that:

22 (A) maintains a distribution center, warehouse,
23 or similar location in this state; and

24 (B) delivers property sold by the retailer to
25 consumers; or

26 (9) otherwise does business in this state.

27 (d) In this section:

1 (1) "Ownership" includes:

2 (A) direct ownership;

3 (B) common ownership; and

4 (C) indirect ownership through a parent entity,
5 subsidiary, or affiliate.

6 (2) "Substantial" means, with respect to an ownership
7 interest, an interest in an entity that is:

8 (A) if the entity is a corporation, at least 50
9 percent, directly or indirectly, of:

10 (i) the total combined voting power of all
11 classes of stock of the corporation; or

12 (ii) the beneficial ownership interest in
13 the voting stock of the corporation;

14 (B) if the entity is a trust, at least 50 percent,
15 directly or indirectly, of the current beneficial interest in the
16 trust corpus or income;

17 (C) if the entity is a limited liability company,
18 at least 50 percent, directly or indirectly, of:

19 (i) the total membership interest of the
20 limited liability company; or

21 (ii) the beneficial ownership interest in
22 the membership interest of the limited liability company; or

23 (D) for any entity, including a partnership or
24 association, at least 50 percent, directly or indirectly, of the
25 capital or profits interest in the entity.

26 SECTION 29.03. Subchapter M, Chapter 151, Tax Code, is
27 amended by adding Section 151.802 to read as follows:

1 Sec. 151.802. ALLOCATION OF CERTAIN REVENUE TO PROPERTY TAX
2 RELIEF FUND. (a) This section applies only:

3 (1) during the state fiscal years beginning September
4 1 of 2012, 2013, 2014, 2015, and 2016; and

5 (2) with respect to unused franchise tax credits
6 described by Sections 18(e) and (f), Chapter 1 (H.B. 3), Acts of the
7 79th Legislature, 3rd Called Session, 2006.

8 (b) Notwithstanding Section 151.801, the comptroller shall
9 deposit to the credit of the property tax relief fund under Section
10 403.109, Government Code, an amount of the proceeds from the
11 collection of the taxes imposed by this chapter equal to the amount
12 of revenue the state does not receive from the tax imposed under
13 Chapter 171 because taxable entities, as defined by that chapter,
14 that are corporations are entitled to claim unused franchise tax
15 credits after December 31, 2012, and during that state fiscal year.

16 (c) This section expires September 1, 2017.

17 SECTION 29.04. The change in law made by this article does
18 not affect tax liability accruing before the effective date of this
19 article. That liability continues in effect as if this article had
20 not been enacted, and the former law is continued in effect for the
21 collection of taxes due and for civil and criminal enforcement of
22 the liability for those taxes.

23 SECTION 29.05. This article takes effect January 1, 2012.

24 ARTICLE 30. CARRYFORWARD OF CERTAIN FRANCHISE TAX CREDITS

25 SECTION 30.01. Subsections (e) and (f), Section 18, Chapter
26 1 (H.B. 3), Acts of the 79th Legislature, 3rd Called Session, 2006,
27 are amended to read as follows:

1 (e) A corporation that has any unused credits established
2 before the effective date of this Act under Subchapter P, Chapter
3 171, Tax Code, may claim those unused credits on or with the tax
4 report for the period in which the credit was established. However,
5 if the corporation was allowed to carry forward unused credits
6 under that subchapter, the corporation may continue to apply those
7 credits on or with each consecutive report until the earlier of the
8 date the credit would have expired under the terms of Subchapter P,
9 Chapter 171, Tax Code, had it continued in existence, or December
10 31, 2016 [~~2012~~], and the former law under which the corporation
11 established the credits is continued in effect for purposes of
12 determining the amount of the credits the corporation may claim and
13 the manner in which the corporation may claim the credits.

14 (f) A corporation that has any unused credits established
15 before the effective date of this Act under Subchapter Q, Chapter
16 171, Tax Code, may claim those unused credits on or with the tax
17 report for the period in which the credit was established. However,
18 if the corporation was allowed to carry forward unused credits
19 under that subchapter, the corporation may continue to apply those
20 credits on or with each consecutive report until the earlier of the
21 date the credit would have expired under the terms of Subchapter Q,
22 Chapter 171, Tax Code, had it continued in existence, or December
23 31, 2016 [~~2012~~], and the former law under which the corporation
24 established the credits is continued in effect for purposes of
25 determining the amount of the credits the corporation may claim and
26 the manner in which the corporation may claim the credits.

ARTICLE 31. STATE PURCHASING

SECTION 31.01. Section 2155.082, Government Code, is amended to read as follows:

Sec. 2155.082. PROVIDING CERTAIN PURCHASING SERVICES ON FEE-FOR-SERVICE BASIS OR THROUGH BENEFIT FUNDING. (a) The comptroller [~~commission~~] may provide open market purchasing services on a fee-for-service basis for state agency purchases that are delegated to an agency under Section 2155.131, 2155.132, [~~2155.133,~~] or 2157.121 or that are exempted from the purchasing authority of the comptroller [~~commission~~]. The comptroller [~~commission~~] shall set the fees in an amount that recovers the comptroller's [~~commission's~~] costs in providing the services.

(b) The comptroller [~~commission~~] shall publish a schedule of [~~its~~] fees for services that are subject to this section. The schedule must include the comptroller's [~~commission's~~] fees for:

- (1) reviewing bid and contract documents for clarity, completeness, and compliance with laws and rules;
- (2) developing and transmitting invitations to bid;
- (3) receiving and tabulating bids;
- (4) evaluating and determining which bidder offers the best value to the state;
- (5) creating and transmitting purchase orders; and
- (6) participating in agencies' request for proposal processes.

(c) If the state agency on behalf of which the procurement is to be made agrees, the comptroller may engage a consultant to assist with a particular procurement on behalf of a state agency and

1 pay the consultant from the cost savings realized by the state
2 agency.

3 ARTICLE 32. PERIOD FOR SALES AND USE TAX HOLIDAY

4 SECTION 32.01. Subsection (a), Section 151.326, Tax Code,
5 is amended to read as follows:

6 (a) The sale of an article of clothing or footwear designed
7 to be worn on or about the human body is exempted from the taxes
8 imposed by this chapter if:

9 (1) the sales price of the article is less than \$100;
10 and

11 (2) the sale takes place during a period beginning at
12 12:01 a.m. on the ~~[third]~~ Friday before the eighth day preceding the
13 earliest date on which any school district, other than a district
14 operating a year-round system, may begin instruction for the school
15 year as prescribed by Section 25.0811(a), Education Code, [~~in~~
16 August] and ending at 12 midnight on the following Sunday.

17 SECTION 32.02. Subsection (a), Section 151.326, Tax Code,
18 as amended by this article, does not affect tax liability accruing
19 before the effective date of this article. That liability
20 continues in effect as if this article had not been enacted, and the
21 former law is continued in effect for the collection of taxes due
22 and for civil and criminal enforcement of the liability for those
23 taxes.

24 ARTICLE 33. ECONOMIC AND WORKFORCE DEVELOPMENT PROGRAMS

25 SECTION 33.01. Section 481.078, Government Code, is amended
26 by adding Subsection (m) to read as follows:

27 (m) Notwithstanding Subsections (e) and (e-1), during the

1 state fiscal biennium that begins on September 1, 2011, the
2 governor may transfer money from the fund to the Texas Workforce
3 Commission to fund the Texas Back to Work Program established under
4 Chapter 313, Labor Code. This subsection expires September 1,
5 2013.

6 SECTION 33.02. Subtitle B, Title 4, Labor Code, is amended
7 by adding Chapter 313 to read as follows:

8 CHAPTER 313. TEXAS BACK TO WORK PROGRAM

9 Sec. 313.001. DEFINITION. In this chapter, "qualified
10 applicant" means a person who made less than \$40 per hour at the
11 person's last employment before becoming unemployed.

12 Sec. 313.002. INITIATIVE ESTABLISHED. (a) The Texas Back
13 to Work Program is established within the commission.

14 (b) The purpose of the program is to establish
15 public-private partnerships with employers to transition residents
16 of this state from receiving unemployment compensation to becoming
17 employed as members of the workforce.

18 (c) An employer that participates in the initiative may
19 receive a wage subsidy for hiring one or more qualified applicants
20 who are unemployed at the time of hire.

21 Sec. 313.003. RULES. The commission may adopt rules as
22 necessary to implement this chapter.

23 ARTICLE 34. ELIGIBILITY OF SURVIVING SPOUSE OF DISABLED VETERAN TO
24 PAY AD VALOREM TAXES ON RESIDENCE HOMESTEAD IN INSTALLMENTS

25 SECTION 34.01. Section 31.031, Tax Code, is amended by
26 amending Subsection (a) and adding Subsection (a-1) to read as
27 follows:

1 (a) This section applies only to:

2 (1) [~~If before the delinquency date~~] an individual who
3 is:

4 (A) disabled or at least 65 years of age; and

5 (B) [~~is~~] qualified for an exemption under Section
6 11.13(c); or

7 (2) an individual who is:

8 (A) the unmarried surviving spouse of a disabled
9 veteran; and

10 (B) qualified for an exemption under Section
11 11.22.

12 (a-1) If before the delinquency date an individual to whom
13 this section applies pays at least one-fourth of a taxing unit's
14 taxes imposed on property that the person owns and occupies as a
15 residence homestead, accompanied by notice to the taxing unit that
16 the person will pay the remaining taxes in installments, the person
17 may pay the remaining taxes without penalty or interest in three
18 equal installments. The first installment must be paid before
19 April 1, the second installment before June 1, and the third
20 installment before August 1.

21 SECTION 34.02. This article applies only to an ad valorem
22 tax year that begins on or after the effective date of this article.

23 SECTION 34.03. This article takes effect January 1, 2012.

24 ARTICLE 35. EXTENSION OF FRANCHISE TAX EXEMPTION

25 SECTION 35.01. Subsection (c), Section 1, Chapter 286 (H.B.
26 4765), Acts of the 81st Legislature, Regular Session, 2009, is
27 amended to read as follows:

1 (c) This [~~If this section takes effect, this~~] section
2 expires December 31, 2013 [~~2011~~].

3 SECTION 35.02. Subsection (b), Section 2, Chapter 286 (H.B.
4 4765), Acts of the 81st Legislature, Regular Session, 2009, is
5 amended to read as follows:

6 (b) This section takes effect January 1, 2014 [~~2012, if H.B.
7 No. 2154, Acts of the 81st Legislature, Regular Session, 2009,
8 amends Section 155.0211, Tax Code, in a manner that results in an
9 increase in the revenue from the tax under that section during the
10 state fiscal biennium beginning September 1, 2009, that is
11 attributable to that change, and that Act is enacted and becomes
12 law. If H.B. No. 2154, Acts of the 81st Legislature, Regular
13 Session, 2009, does not amend Section 155.0211, Tax Code, in that
14 manner or is not enacted or does not become law, this section takes
15 effect January 1, 2010~~].

16 SECTION 35.03. Subsection (b), Section 3, Chapter 286 (H.B.
17 4765), Acts of the 81st Legislature, Regular Session, 2009, is
18 amended to read as follows:

19 (b) This section takes effect January 1, 2014 [~~2012, if H.B.
20 No. 2154, Acts of the 81st Legislature, Regular Session, 2009,
21 amends Section 155.0211, Tax Code, in a manner that results in an
22 increase in the revenue from the tax under that section during the
23 state fiscal biennium beginning September 1, 2009, that is
24 attributable to that change, and that Act is enacted and becomes
25 law. If H.B. No. 2154, Acts of the 81st Legislature, Regular
26 Session, 2009, does not amend Section 155.0211, Tax Code, in that
27 manner or is not enacted or does not become law, this section takes~~

1 ~~effect January 1, 2010~~].

2 SECTION 35.04. This article takes effect immediately if
3 this Act receives a vote of two-thirds of all the members elected to
4 each house, as provided by Section 39, Article III, Texas
5 Constitution. If this Act does not receive the vote necessary for
6 this article to have immediate effect, this article takes effect on
7 the 91st day after the last day of the legislative session.

8 ARTICLE 36. FISCAL MATTERS REGARDING ASSISTANT PROSECUTORS

9 SECTION 36.01. Subsection (f), Section 41.255, Government
10 Code, is amended to read as follows:

11 (f) A county is not required to pay longevity supplements if
12 the county does not receive funds from the comptroller as provided
13 by Subsection (d). If sufficient funds are not available to meet
14 the requests made by counties for funds for payment of assistant
15 prosecutors qualified for longevity supplements:

16 (1) [7] the comptroller shall apportion the available
17 funds to the eligible counties by reducing the amount payable to
18 each county on an equal percentage basis;

19 (2) a county is not entitled to receive the balance of
20 the funds at a later date; and

21 (3) the longevity pay program under this chapter is
22 suspended to the extent of the insufficiency. [A county that
23 receives from the comptroller an amount less than the amount
24 certified by the county to the comptroller under Subsection (d)
25 shall apportion the funds received by reducing the amount payable
26 to eligible assistant prosecutors on an equal percentage basis, but
27 is not required to use county funds to make up any difference

1 ~~between the amount certified and the amount received.]~~

2 SECTION 36.02. Subsection (g), Section 41.255, Government
3 Code, is repealed.

4 ARTICLE 37. FISCAL MATTERS REGARDING PROCESS SERVERS

5 SECTION 37.01. Subchapter B, Chapter 72, Government Code,
6 is amended by adding Sections 72.013 and 72.014 to read as follows:

7 Sec. 72.013. PROCESS SERVER REVIEW BOARD. A person
8 appointed to the process server review board established by supreme
9 court order serves without compensation but is entitled to
10 reimbursement for actual and necessary expenses incurred in
11 traveling and performing official board duties.

12 Sec. 72.014. CERTIFICATION DIVISION. The office shall
13 establish a certification division to oversee the regulatory
14 programs assigned to the office by law or by the supreme court.

15 ARTICLE 38. FISCAL MATTERS REGARDING REIMBURSEMENT OF JURORS

16 SECTION 38.01. Section 61.001, Government Code, is amended
17 by adding Subsections (a-1) and (a-2) to read as follows:

18 (a-1) Notwithstanding Subsection (a), and except as
19 provided by Subsection (c), during the state fiscal biennium
20 beginning September 1, 2011, a person who reports for jury service
21 in response to the process of a court is entitled to receive as
22 reimbursement for travel and other expenses an amount:

23 (1) not less than \$6 for the first day or fraction of
24 the first day the person is in attendance in court in response to
25 the process and discharges the person's duty for that day; and

26 (2) not less than the amount provided in the General
27 Appropriations Act for each day or fraction of each day the person

1 is in attendance in court in response to the process after the first
2 day and discharges the person's duty for that day.

3 (a-2) This subsection and Subsection (a-1) expire September
4 1, 2013.

5 SECTION 38.02. Section 61.0015, Government Code, is amended
6 by adding Subsections (a-1), (a-2), and (e-1) to read as follows:

7 (a-1) Notwithstanding Subsection (a), during the state
8 fiscal biennium beginning September 1, 2011, the state shall
9 reimburse a county the appropriate amount as provided in the
10 General Appropriations Act for the reimbursement paid under Section
11 61.001 to a person who reports for jury service in response to the
12 process of a court for each day or fraction of each day after the
13 first day in attendance in court in response to the process.

14 (a-2) This subsection and Subsections (a-1) and (e-1)
15 expire September 1, 2013.

16 (e-1) Notwithstanding Subsection (e), during the state
17 fiscal biennium beginning September 1, 2011, if a payment on a
18 county's claim for reimbursement is reduced under Subsection (d),
19 or if a county fails to file the claim for reimbursement in a timely
20 manner, the comptroller may, as provided by rule, apportion the
21 payment of the balance owed the county. The comptroller's rules may
22 permit a different rate of reimbursement for each quarterly payment
23 under Subsection (c).

24 ARTICLE 39. SEXUAL ASSAULT PROGRAM FUND; FEE IMPOSED ON
25 CERTAIN SEXUALLY ORIENTED BUSINESSES

26 SECTION 39.01. Section 102.054, Business & Commerce Code,
27 is amended to read as follows:

1 Sec. 102.054. ALLOCATION OF [~~CERTAIN~~] REVENUE FOR SEXUAL
2 ASSAULT PROGRAMS. The comptroller shall deposit the amount [~~first~~
3 ~~\$25 million~~] received from the fee imposed under this subchapter
4 [~~in a state fiscal biennium~~] to the credit of the sexual assault
5 program fund.

6 SECTION 39.02. Section 420.008, Government Code, is amended
7 by amending Subsection (c) and adding Subsection (d) to read as
8 follows:

9 (c) The legislature may appropriate money deposited to the
10 credit of the fund only to:

11 (1) the attorney general, for:

12 (A) sexual violence awareness and prevention
13 campaigns;

14 (B) grants to faith-based groups, independent
15 school districts, and community action organizations for programs
16 for the prevention of sexual assault and programs for victims of
17 human trafficking;

18 (C) grants for equipment for sexual assault nurse
19 examiner programs, to support the preceptorship of future sexual
20 assault nurse examiners, and for the continuing education of sexual
21 assault nurse examiners;

22 (D) grants to increase the level of sexual
23 assault services in this state;

24 (E) grants to support victim assistance
25 coordinators;

26 (F) grants to support technology in rape crisis
27 centers;

1 (G) grants to and contracts with a statewide
2 nonprofit organization exempt from federal income taxation under
3 Section 501(c)(3), Internal Revenue Code of 1986, having as a
4 primary purpose ending sexual violence in this state, for programs
5 for the prevention of sexual violence, outreach programs, and
6 technical assistance to and support of youth and rape crisis
7 centers working to prevent sexual violence; ~~and~~

8 (H) grants to regional nonprofit providers of
9 civil legal services to provide legal assistance for sexual assault
10 victims;

11 (I) grants to health science centers and related
12 nonprofit entities exempt from federal income taxation under
13 Section 501(a), Internal Revenue Code of 1986, by being listed as an
14 exempt organization under Section 501(c)(3) of that code, for
15 research relating to the prevention and mitigation of sexual
16 assault; and

17 (J) Internet Crimes Against Children Task Force
18 locations in this state recognized by the United States Department
19 of Justice;

20 (2) the Department of State Health Services, to
21 measure the prevalence of sexual assault in this state and for
22 grants to support programs assisting victims of human trafficking;

23 (3) the Institute on Domestic Violence and Sexual
24 Assault at The University of Texas at Austin, to conduct research on
25 all aspects of sexual assault and domestic violence;

26 (4) Texas State University, for training and technical
27 assistance to independent school districts for campus safety;

1 (5) the office of the governor, for grants to support
2 sexual assault and human trafficking prosecution projects;

3 (6) the Department of Public Safety, to support sexual
4 assault training for commissioned officers;

5 (7) the comptroller's judiciary section, for
6 increasing the capacity of the sex offender civil commitment
7 program;

8 (8) the Texas Department of Criminal Justice:

9 (A) for pilot projects for monitoring sex
10 offenders on parole; and

11 (B) for increasing the number of adult
12 incarcerated sex offenders receiving treatment;

13 (9) the Texas Youth Commission, for increasing the
14 number of incarcerated juvenile sex offenders receiving treatment;

15 (10) the comptroller, for the administration of the
16 fee imposed on sexually oriented businesses under Section 102.052,
17 Business & Commerce Code; ~~and~~

18 (11) the supreme court, to be transferred to the Texas
19 Equal Access to Justice Foundation, or a similar entity, to provide
20 victim-related legal services to sexual assault victims, including
21 legal assistance with protective orders, relocation-related
22 matters, victim compensation, and actions to secure privacy
23 protections available to victims under law; and

24 (12) the Department of Family and Protective Services
25 for:

26 (A) programs related to sexual assault
27 prevention and intervention; and

1 (B) research relating to how the department can
2 effectively address the prevention of sexual assault.

3 (d) A board, commission, department, office, or other
4 agency in the executive or judicial branch of state government to
5 which money is appropriated from the sexual assault program fund
6 under this section shall, not later than December 1 of each
7 even-numbered year, provide to the Legislative Budget Board a
8 report stating, for the preceding fiscal biennium:

9 (1) the amount appropriated to the entity under this
10 section;

11 (2) the purposes for which the money was used; and

12 (3) any results of a program or research funded under
13 this section.

14 SECTION 39.03. The comptroller of public accounts shall
15 collect the fee imposed under Section 102.052, Business & Commerce
16 Code, until a court, in a final judgment upheld on appeal or no
17 longer subject to appeal, finds Section 102.052, Business &
18 Commerce Code, or its predecessor statute, to be unconstitutional.

19 SECTION 39.04. Section 102.055, Business & Commerce Code,
20 is repealed.

21 SECTION 39.05. This article prevails over any Act of the
22 82nd Legislature, Regular Session or 1st Called Session, 2011,
23 regardless of the relative dates of enactment, that purports to
24 amend or repeal Subchapter B, Chapter 102, Business & Commerce
25 Code, or any provision of Chapter 1206 (H.B. 1751), Acts of the 80th
26 Legislature, Regular Session, 2007.

ARTICLE 40. CORRECTIONAL MANAGED HEALTH CARE

SECTION 40.01. Subsection (a), Section 501.133, Government Code, is amended to read as follows:

(a) The committee consists of five voting [~~nine~~] members and one nonvoting member [~~appointed~~] as follows:

(1) one member [~~two members~~] employed full-time by the department, [~~at least one of whom is a physician,~~] appointed by the executive director;

(2) one member who is a physician and [~~two members~~] employed full-time by The University of Texas Medical Branch at Galveston, [~~at least one of whom is a physician,~~] appointed by the president of the medical branch;

(3) one member who is a physician and [~~two members~~] employed full-time by the Texas Tech University Health Sciences Center, [~~at least one of whom is a physician,~~] appointed by the president of the university; [~~and~~]

(4) two [~~three~~] public members appointed by the governor who are not affiliated with the department or with any entity with which the committee has contracted to provide health care services under this chapter, at least one [~~two~~] of whom is [~~are~~] licensed to practice medicine in this state; and

(5) the state Medicaid director, to serve ex officio as a nonvoting member.

SECTION 40.02. Subsection (b), Section 501.135, Government Code, is amended to read as follows:

(b) A person may not be an appointed [~~a~~] member of the committee and may not be a committee employee employed in a "bona

1 fide executive, administrative, or professional capacity," as that
2 phrase is used for purposes of establishing an exemption to the
3 overtime provisions of the federal Fair Labor Standards Act of 1938
4 (29 U.S.C. Section 201 et seq.) and its subsequent amendments if:

5 (1) the person is an officer, employee, or paid
6 consultant of a Texas trade association in the field of health care
7 or health care services; or

8 (2) the person's spouse is an officer, manager, or paid
9 consultant of a Texas trade association in the field of health care
10 or health care services.

11 SECTION 40.03. Section 501.136, Government Code, is amended
12 to read as follows:

13 Sec. 501.136. TERMS OF OFFICE FOR PUBLIC MEMBERS.
14 Committee members appointed by the governor serve staggered
15 four-year [~~six-year~~] terms, with the term of one of those members
16 expiring on February 1 of each odd-numbered year. Other committee
17 members serve at the will of the appointing official or until
18 termination of the member's employment with the entity the member
19 represents.

20 SECTION 40.04. Section 501.147, Government Code, is amended
21 to read as follows:

22 Sec. 501.147. DEPARTMENT [~~COMMITTEE~~] AUTHORITY TO
23 CONTRACT. (a) The department [~~committee~~] may enter into a contract
24 [~~on behalf of the department~~] to fully implement the managed health
25 care plan under this subchapter. A contract entered into under this
26 subsection must include provisions necessary to ensure that The
27 University of Texas Medical Branch at Galveston is eligible for and

1 makes reasonable efforts to participate in the purchase of
2 prescription drugs under Section 340B, Public Health Service Act
3 (42 U.S.C. Section 256b).

4 (b) The department [~~committee~~] may~~[, in addition to~~
5 ~~providing services to the department,~~] contract with other
6 governmental entities for similar health care services and
7 integrate those services into the managed health care provider
8 network.

9 (c) In contracting for implementation of the managed health
10 care plan, the department [~~committee~~], to the extent possible,
11 shall integrate the managed health care provider network with the
12 public medical schools of this state and the component and
13 affiliated hospitals of those medical schools. The contract must
14 authorize The University of Texas Medical Branch at Galveston to
15 contract directly with the Texas Tech University Health Sciences
16 Center for the provision of health care services. The Texas Tech
17 University Health Sciences Center shall cooperate with The
18 University of Texas Medical Branch at Galveston in its efforts to
19 participate in the purchase of prescription drugs under Section
20 340B, Public Health Service Act (42 U.S.C. Section 256b).

21 (d) For services that the public medical schools and their
22 components and affiliates cannot provide, the department
23 [~~committee~~] shall initiate a competitive bidding process for
24 contracts with other providers for medical care to persons confined
25 by the department.

26 (e) The department, in cooperation with the committee, may
27 contract with an individual or firm for a biennial review of, and

1 report concerning, expenditures under the managed health care plan.
2 The review must be conducted by an individual or firm experienced in
3 auditing the state's Medicaid expenditures and other medical
4 expenditures. Not later than September 1 of each even-numbered
5 year, the department shall submit a copy of a report under this
6 section to the health care providers that are part of the managed
7 health care provider network established under this subchapter, the
8 Legislative Budget Board, the governor, the lieutenant governor,
9 and the speaker of the house of representatives.

10 SECTION 40.05. Subsection (a), Section 501.148, Government
11 Code, is amended to read as follows:

12 (a) The committee may [~~shall~~]:

13 (1) develop statewide policies for the delivery of
14 correctional health care;

15 (2) [~~maintain contracts for health care services in~~
16 ~~consultation with the department and the health care providers,~~

17 [~~(3)~~] communicate with the department and the
18 legislature regarding the financial needs of the correctional
19 health care system;

20 (3) in conjunction with the department,

21 [~~(4) allocate funding made available through legislative~~
22 ~~appropriations for correctional health care,~~

23 [~~(5)~~] monitor the expenditures of The University of
24 Texas Medical Branch at Galveston and the Texas Tech University
25 Health Sciences Center to ensure that those expenditures comply
26 with applicable statutory and contractual requirements;

27 (4) [~~(6)~~] serve as a dispute resolution forum in the

1 event of a disagreement relating to inmate health care services
2 between:

3 (A) the department and the health care providers;
4 or

5 (B) The University of Texas Medical Branch at
6 Galveston and the Texas Tech University Health Sciences Center;

7 (5) [~~(7)~~] address problems found through monitoring
8 activities by the department and health care providers, including
9 requiring corrective action if care does not meet expectations as
10 determined by those monitoring activities;

11 (6) [~~(8)~~] identify and address long-term needs of the
12 correctional health care system; and

13 (7) [~~(9)~~] report to the Texas Board of Criminal
14 Justice at the board's regularly scheduled meeting each quarter on
15 the committee's policy recommendations [~~decisions~~], the financial
16 status of the correctional health care system, and corrective
17 actions taken by or required of the department or the health care
18 providers.

19 SECTION 40.06. (a) The Correctional Managed Health Care
20 Committee established under Section 501.133, Government Code, as
21 that section existed before amendment by this article, is abolished
22 effective November 30, 2011.

23 (b) An appointing official under Section 501.133,
24 Government Code, shall appoint the members of the Correctional
25 Managed Health Care Committee under Section 501.133, Government
26 Code, as amended by this Act, not later than November 30, 2011. The
27 governor shall appoint one public member to serve a term that

1 expires February 1, 2013, and one public member to serve a term that
2 expires February 1, 2015.

3 (c) The term of a person who is serving as a member of the
4 Correctional Managed Health Care Committee immediately before the
5 abolition of that committee under Subsection (a) of this section
6 expires on November 30, 2011. Such a person is eligible for
7 appointment by an appointing official to the new committee under
8 Section 501.133, Government Code, as amended by this article.

9 ARTICLE 41. GENERAL HOUSING MATTERS

10 SECTION 41.01. Section 481.078, Government Code, is amended
11 by amending Subsection (c) and adding Subsection (d-1) to read as
12 follows:

13 (c) Except as provided by Subsections [~~Subsection~~] (d) and
14 (d-1), the fund may be used only for economic development,
15 infrastructure development, community development, job training
16 programs, and business incentives.

17 (d-1) The fund may be used for the Texas homeless housing
18 and services program administered by the Texas Department of
19 Housing and Community Affairs. Subsections (e-1), (f), (g), (h),
20 (i), and (j) and Section 481.080 do not apply to a grant awarded for
21 a purpose specified by this subsection.

22 SECTION 41.02. Section 481.079, Government Code, is amended
23 by adding Subsection (a-1) to read as follows:

24 (a-1) For grants awarded for a purpose specified by Section
25 481.078(d-1), the report must include only the amount and purpose
26 of each grant.

27 SECTION 41.03. Subchapter K, Chapter 2306, Government Code,

1 is amended by adding Section 2306.2585 to read as follows:

2 Sec. 2306.2585. HOMELESS HOUSING AND SERVICES PROGRAM. (a)
3 The department may administer a homeless housing and services
4 program in each municipality in this state with a population of
5 285,500 or more to:

6 (1) provide for the construction, development, or
7 procurement of housing for homeless persons; and

8 (2) provide local programs to prevent and eliminate
9 homelessness.

10 (b) The department may adopt rules to govern the
11 administration of the program, including rules that:

12 (1) provide for the allocation of any available
13 funding; and

14 (2) provide detailed guidelines as to the scope of the
15 local programs in the municipalities described by Subsection (a).

16 (c) The department may use any available revenue, including
17 legislative appropriations, and shall solicit and accept gifts and
18 grants for the purposes of this section. The department shall use
19 gifts and grants received for the purposes of this section before
20 using any other revenue.

21 SECTION 41.04. This article takes effect immediately if
22 this Act receives a vote of two-thirds of all the members elected to
23 each house, as provided by Section 39, Article III, Texas
24 Constitution. If this Act does not receive the vote necessary for
25 immediate effect, this article takes effect on the 91st day after
26 the last day of the legislative session.

ARTICLE 42. UNIFORM GRANT AND CONTRACT MANAGEMENT

SECTION 42.01. Section 783.004, Government Code, is amended to read as follows:

Sec. 783.004. OFFICE OF THE COMPTROLLER [~~GOVERNOR'S OFFICE~~]. The office of the comptroller [~~governor's office~~] is the state agency for uniform grant and contract management.

SECTION 42.02. Subsections (a) and (b), Section 783.005, Government Code, are amended to read as follows:

(a) The comptroller [~~governor's office~~] shall develop uniform and concise language for any assurances that a local government is required to make to a state agency.

(b) The comptroller [~~governor's office~~] may:

(1) categorize assurances according to the type of grant or contract;

(2) designate programs to which the assurances are applicable; and

(3) revise the assurances.

SECTION 42.03. Section 783.006, Government Code, is amended to read as follows:

Sec. 783.006. STANDARD FINANCIAL MANAGEMENT CONDITIONS.

(a) The comptroller [~~governor's office~~] shall compile and distribute to each state agency an official compilation of standard financial management conditions.

(b) The comptroller [~~governor's office~~] shall develop the compilation from Federal Management Circular A-102 or from a revision of that circular and from other applicable statutes and regulations.

1 (c) The comptroller [~~governor's office~~] shall include in
2 the compilation official commentary regarding administrative or
3 judicial interpretations that affect the application of financial
4 management standards.

5 (d) The comptroller [~~governor's office~~] may:

6 (1) categorize the financial management conditions
7 according to the type of grant or contract;

8 (2) designate programs to which the conditions are
9 applicable; and

10 (3) revise the conditions.

11 SECTION 42.04. Subsection (d), Section 783.007, Government
12 Code, is amended to read as follows:

13 (d) The agency shall file a notice of each proposed rule
14 that establishes a variation from uniform assurances or standard
15 conditions with the comptroller [~~governor's office~~].

16 SECTION 42.05. Subsection (b), Section 783.008, Government
17 Code, is amended to read as follows:

18 (b) On receipt of a request for a single audit or audit
19 coordination, the comptroller [~~governor's office~~] in consultation
20 with the state auditor shall not later than the 30th day after the
21 date of the request designate a single state agency to coordinate
22 state audits of the local government.

23 ARTICLE 43. AD VALOREM TAXATION OF LAND USED TO RAISE OR KEEP BEES

24 SECTION 43.01. Subdivision (2), Section 23.51, Tax Code, is
25 amended to read as follows:

26 (2) "Agricultural use" includes but is not limited to
27 the following activities: cultivating the soil, producing crops for

1 human food, animal feed, or planting seed or for the production of
2 fibers; floriculture, viticulture, and horticulture; raising or
3 keeping livestock; raising or keeping exotic animals for the
4 production of human food or of fiber, leather, pelts, or other
5 tangible products having a commercial value; planting cover crops
6 or leaving land idle for the purpose of participating in a
7 governmental program, provided the land is not used for residential
8 purposes or a purpose inconsistent with agricultural use; and
9 planting cover crops or leaving land idle in conjunction with
10 normal crop or livestock rotation procedure. The term also
11 includes the use of land to produce or harvest logs and posts for
12 the use in constructing or repairing fences, pens, barns, or other
13 agricultural improvements on adjacent qualified open-space land
14 having the same owner and devoted to a different agricultural use.
15 The term also includes the use of land for wildlife management. The
16 term also includes the use of land to raise or keep bees for
17 pollination or for the production of human food or other tangible
18 products having a commercial value, provided that the land used is
19 not less than 5 or more than 20 acres.

20 SECTION 43.02. This article applies only to the appraisal
21 of land for ad valorem tax purposes for a tax year that begins on or
22 after the effective date of this Act.

23 ARTICLE 44. PLACE OF BUSINESS OF A RETAILER FOR SALES TAX PURPOSES

24 SECTION 44.01. Subdivision (3), Subsection (a), Section
25 321.002, Tax Code, is amended to read as follows:

26 (3) "Place of business of the retailer" means an
27 established outlet, office, or location operated by the retailer or

1 the retailer's agent or employee for the purpose of receiving
2 orders for taxable items and includes any location at which three or
3 more orders are received by the retailer during a calendar year. A
4 warehouse, storage yard, or manufacturing plant is not a "place of
5 business of the retailer" unless at least three orders are received
6 by the retailer during the calendar year at the warehouse, storage
7 yard, or manufacturing plant. An outlet, office, facility, or any
8 location that contracts with a retail or commercial business
9 ~~[engaged in activities to which this chapter applies]~~ to process
10 for that business invoices, purchase orders, ~~[or]~~ bills of lading,
11 or other equivalent records onto which sales tax is added,
12 including an office operated for the purpose of buying and selling
13 taxable goods to be used or consumed by the retail or commercial
14 business, is not a "place of business of the retailer" if the
15 comptroller determines that the outlet, office, facility, or
16 location functions or exists to avoid the tax imposed by this
17 chapter or to rebate a portion of the tax imposed by this chapter to
18 the contracting business. Notwithstanding any other provision of
19 this subdivision, a kiosk is not a "place of business of the
20 retailer." In this subdivision, "kiosk" means a small stand-alone
21 area or structure that:

22 (A) is used solely to display merchandise or to
23 submit orders for taxable items from a data entry device, or both;

24 (B) is located entirely within a location that is
25 a place of business of another retailer, such as a department store
26 or shopping mall; and

27 (C) at which taxable items are not available for

1 immediate delivery to a customer.

2 SECTION 44.02. This article takes effect October 1, 2011.

3 ARTICLE 45. TEXAS FARM AND RANCH LANDS CONSERVATION PROGRAM

4 SECTION 45.01. Subsection (b), Section 183.059, Natural
5 Resources Code, is amended to read as follows:

6 (b) To receive a grant from the fund under this subchapter,
7 an applicant who is qualified to be an easement holder under this
8 subchapter must submit an application to the council. The
9 application must:

10 (1) set out the parties' clear conservation goals
11 consistent with the program;

12 (2) include a site-specific estimate-of-value
13 appraisal by a licensed appraiser qualified to determine the market
14 value of the easement; and

15 (3) ~~[demonstrate that the applicant is able to match~~
16 ~~50 percent of the amount of the grant being sought, considering that~~
17 ~~the council may choose to allow a donation of part of the appraised~~
18 ~~value of the easement to be considered as in-kind matching funds,~~
19 ~~and~~

20 [~~4~~] include a memorandum of understanding signed by
21 the landowner and the applicant indicating intent to sell an
22 agricultural conservation easement and containing the terms of the
23 contract for the sale of the easement.

24 ARTICLE 46. QUINQUENNIAL REPORTING OF CERTAIN INFORMATION FOR
25 UNCLAIMED PROPERTY

26 SECTION 46.01. Subsection (a), Section 411.0111,
27 Government Code, is amended to read as follows:

1 (a) Not later than June 1 of every fifth [~~each~~] year, the
2 department shall provide to the comptroller, for the purpose of
3 assisting the comptroller in the identification of persons entitled
4 to unclaimed property reported to the comptroller, the name,
5 address, social security number, date of birth, and driver's
6 license or state identification number of each person about whom
7 the department has such information in its records.

8 SECTION 46.02. Subsection (a), Section 811.012, Government
9 Code, as effective September 1, 2011, is amended to read as follows:

10 (a) Not later than June 1 of every fifth [~~each~~] year, the
11 retirement system shall provide to the comptroller, for the purpose
12 of assisting the comptroller in the identification of persons
13 entitled to unclaimed property reported to the comptroller, the
14 name, address, social security number, and date of birth of each
15 member, retiree, and beneficiary from the retirement system's
16 records.

17 SECTION 46.03. Subsection (a), Section 821.010, Government
18 Code, is amended to read as follows:

19 (a) Not later than June 1 of every fifth [~~each~~] year, the
20 retirement system shall provide to the comptroller, for the purpose
21 of assisting the comptroller in the identification of persons
22 entitled to unclaimed property reported to the comptroller, the
23 name, address, social security number, and date of birth of each
24 member, retiree, and beneficiary from the retirement system's
25 records.

26 SECTION 46.04. Subsection (a), Section 301.086, Labor Code,
27 is amended to read as follows:

1 (a) Not later than June 1 of every fifth [~~each~~] year, the
2 commission shall provide to the comptroller, for the purpose of
3 assisting the comptroller in the identification of persons entitled
4 to unclaimed property reported to the comptroller, the name,
5 address, social security number, and date of birth of each person
6 about whom the commission has such information in its records.

7 SECTION 46.05. The Department of Public Safety, the
8 Employees Retirement System of Texas, the Teacher Retirement System
9 of Texas, and the Texas Workforce Commission shall provide
10 information to the comptroller as required by Sections 411.0111(a),
11 811.012(a), and 821.010(a), Government Code, and Section
12 301.086(a), Labor Code, as amended by this article, beginning in
13 2016.

14 ARTICLE 47. AD VALOREM TAXATION OF CERTAIN STORED PROPERTY

15 SECTION 47.01. Subsection (a), Section 11.253, Tax Code, is
16 amended by amending Subdivision (2) and adding Subdivisions (5) and
17 (6) to read as follows:

18 (2) "Goods-in-transit" means tangible personal
19 property that:

20 (A) is acquired in or imported into this state to
21 be forwarded to another location in this state or outside this
22 state;

23 (B) is stored under a contract of bailment by a
24 public warehouse operator [~~detained~~] at one or more public
25 warehouse facilities [~~a location~~] in this state that are not in any
26 way owned or controlled by [~~in which~~] the owner of the personal
27 property [~~does not have a direct or indirect ownership interest~~]

1 for the account of [~~assembling, storing, manufacturing,~~
2 ~~processing, or fabricating purposes by~~] the person who acquired or
3 imported the property;

4 (C) is transported to another location in this
5 state or outside this state not later than 175 days after the date
6 the person acquired the property in or imported the property into
7 this state; and

8 (D) does not include oil, natural gas, petroleum
9 products, aircraft, dealer's motor vehicle inventory, dealer's
10 vessel and outboard motor inventory, dealer's heavy equipment
11 inventory, or retail manufactured housing inventory.

12 (5) "Bailee" and "warehouse" have the meanings
13 assigned by Section 7.102, Business & Commerce Code.

14 (6) "Public warehouse operator" means a person that:

15 (A) is both a bailee and a warehouse; and

16 (B) stores under a contract of bailment, at one
17 or more public warehouse facilities, tangible personal property
18 that is owned by other persons solely for the account of those
19 persons and not for the operator's account.

20 SECTION 47.02. Section 11.253, Tax Code, is amended by
21 amending Subsections (e) and (h) and adding Subsections (j-1) and
22 (j-2) to read as follows:

23 (e) In determining the market value of goods-in-transit
24 that in the preceding year were [~~assembled,~~] stored[~~, manufactured,~~
25 ~~processed, or fabricated~~] in this state, the chief appraiser shall
26 exclude the cost of equipment, machinery, or materials that entered
27 into and became component parts of the goods-in-transit but were

1 not themselves goods-in-transit or that were not transported to
2 another location in this state or outside this state before the
3 expiration of 175 days after the date they were brought into this
4 state by the property owner or acquired by the property owner in
5 this state. For component parts held in bulk, the chief appraiser
6 may use the average length of time a component part was held by the
7 owner of the component parts during the preceding year at a location
8 in this state that was not owned by or under the control of the owner
9 of the component parts in determining whether the component parts
10 were transported to another location in this state or outside this
11 state before the expiration of 175 days.

12 (h) The chief appraiser by written notice delivered to a
13 property owner who claims an exemption under this section may
14 require the property owner to provide copies of property records so
15 the chief appraiser can determine the amount and value of
16 goods-in-transit and that the location in this state where the
17 goods-in-transit were detained for storage [~~assembling, storing,~~
18 ~~manufacturing, processing, or fabricating purposes~~] was not owned
19 by or under the control of the owner of the goods-in-transit. If
20 the property owner fails to deliver the information requested in
21 the notice before the 31st day after the date the notice is
22 delivered to the property owner, the property owner forfeits the
23 right to claim or receive the exemption for that year.

24 (j-1) Notwithstanding Subsection (j) or official action
25 that was taken under that subsection before October 1, 2011, to tax
26 goods-in-transit exempt under Subsection (b) and not exempt under
27 other law, a taxing unit may not tax such goods-in-transit in a tax

1 year that begins on or after January 1, 2012, unless the governing
2 body of the taxing unit takes action on or after October 1, 2011, in
3 the manner required for official action by the governing body, to
4 provide for the taxation of the goods-in-transit. The official
5 action to tax the goods-in-transit must be taken before January 1 of
6 the first tax year in which the governing body proposes to tax
7 goods-in-transit. Before acting to tax the exempt property, the
8 governing body of the taxing unit must conduct a public hearing as
9 required by Section 1-n(d), Article VIII, Texas Constitution. If
10 the governing body of a taxing unit provides for the taxation of the
11 goods-in-transit as provided by this subsection, the exemption
12 prescribed by Subsection (b) does not apply to that unit. The
13 goods-in-transit remain subject to taxation by the taxing unit
14 until the governing body of the taxing unit, in the manner required
15 for official action, rescinds or repeals its previous action to tax
16 goods-in-transit or otherwise determines that the exemption
17 prescribed by Subsection (b) will apply to that taxing unit.

18 (j-2) Notwithstanding Subsection (j-1), if under Subsection
19 (j) the governing body of a taxing unit, before October 1, 2011,
20 took action to provide for the taxation of goods-in-transit and
21 pledged the taxes imposed on the goods-in-transit for the payment
22 of a debt of the taxing unit, the tax officials of the taxing unit
23 may continue to impose the taxes against the goods-in-transit until
24 the debt is discharged, if cessation of the imposition would impair
25 the obligation of the contract by which the debt was created.

26 SECTION 47.03. Subdivision (2), Subsection (a), Section
27 11.253, Tax Code, as amended by this article, applies only to an ad

1 valorem tax year that begins on or after January 1, 2012.

2 SECTION 47.04. (a) Except as provided by Subsection (b) of
3 this section, this article takes effect January 1, 2012.

4 (b) Section 47.02 of this article takes effect October 1,
5 2011.

6 ARTICLE 48. FISCAL MATTERS CONCERNING ADVANCED PLACEMENT

7 SECTION 48.01. Subsection (h), Section 28.053, Education
8 Code, is amended to read as follows:

9 (h) The commissioner may enter into agreements with the
10 college board and the International Baccalaureate Organization to
11 pay for all examinations taken by eligible public school students.
12 An eligible student is a student [~~one~~] who:

13 (1) takes a college advanced placement or
14 international baccalaureate course at a public school or who is
15 recommended by the student's principal or teacher to take the test;
16 and

17 (2) demonstrates financial need as determined in
18 accordance with guidelines adopted by the board that are consistent
19 with the definition of financial need adopted by the college board
20 or the International Baccalaureate Organization.

21 ARTICLE 49. FISCAL MATTERS CONCERNING TUITION EXEMPTIONS

22 SECTION 49.01. Subsection (c), Section 54.214, Education
23 Code, is amended to read as follows:

24 (c) To be eligible for an exemption under this section, a
25 person must:

26 (1) be a resident of this state;

27 (2) be a school employee serving in any capacity;

1 (A) the activities described in Division G of the
2 1987 Standard Industrial Classification Manual published by the
3 federal Office of Management and Budget; and

4 (B) apparel rental activities classified as
5 Industry 5999 or 7299 of the 1987 Standard Industrial
6 Classification Manual published by the federal Office of Management
7 and Budget.

8 SECTION 50.02. This article applies only to a report
9 originally due on or after the effective date of this Act.

10 SECTION 50.03. This article takes effect January 1, 2012.

11 ARTICLE 51. RETENTION OF CERTAIN FOUNDATION SCHOOL FUND PAYMENTS

12 SECTION 51.01. Subchapter E, Chapter 42, Education Code, is
13 amended by adding Section 42.2511 to read as follows:

14 Sec. 42.2511. AUTHORIZATION FOR CERTAIN DISTRICTS TO RETAIN
15 ADDITIONAL STATE AID. (a) This section applies only to a school
16 district that was provided with state aid under former Section
17 42.2516 for the 2009-2010 or 2010-2011 school year based on the
18 amount of aid to which the district would have been entitled under
19 that section if Section 42.2516(g), as it existed on January 1,
20 2009, applied to determination of the amount to which the district
21 was entitled for that school year.

22 (b) Notwithstanding any other law, a district to which this
23 section applies may retain the state aid provided to the district as
24 described by Subsection (a).

25 (c) This section expires September 1, 2013.

26 SECTION 51.02. It is the intent of the legislature that the
27 authorization provided by Section 42.2511, Education Code, as added

1 by this article, to retain state aid described by that section is
2 not affected by the expiration of that provision on September 1,
3 2013.

4 ARTICLE 52. THE STATE COMPRESSION PERCENTAGE

5 SECTION 52.01. Section 42.2516, Education Code, is amended
6 by adding Subsection (b-2) to read as follows:

7 (b-2) If a school district adopts a maintenance and
8 operations tax rate that is below the rate equal to the product of
9 the state compression percentage multiplied by the maintenance and
10 operations tax rate adopted by the district for the 2005 tax year,
11 the commissioner shall reduce the district's entitlement under this
12 section in proportion to the amount by which the adopted rate is
13 less than the rate equal to the product of the state compression
14 percentage multiplied by the rate adopted by the district for the
15 2005 tax year. The reduction required by this subsection applies
16 beginning with the maintenance and operations tax rate adopted for
17 the 2009 tax year.

18 ARTICLE 53. TEXAS GUARANTEED STUDENT LOAN CORPORATION; BOARD OF
19 DIRECTORS

20 SECTION 53.01. Subsections (a) and (b), Section 57.13,
21 Education Code, are amended to read as follows:

22 (a) The corporation is governed by a board of nine [~~11~~]
23 directors in accordance with this section.

24 (b) The governor, with the advice and consent of the senate,
25 shall appoint the [~~10~~] members of [~~to~~] the board as follows:

26 (1) four [~~five~~] members who must have knowledge of or
27 experience in finance, including management of funds or business

1 operations;

2 (2) one member who must be a student enrolled at a
3 postsecondary educational institution for the number of credit
4 hours required by the institution to be classified as a full-time
5 student of the institution; and

6 (3) four members who must be members of the faculty or
7 administration of a [an-eligible] postsecondary educational
8 institution that is an eligible institution for purposes of the
9 Higher Education Act of 1965, as amended~~[, as defined by Section~~
10 ~~57.46]~~.

11 SECTION 53.02. Section 57.17, Education Code, is amended to
12 read as follows:

13 Sec. 57.17. OFFICERS. The governor shall designate the
14 chairman from among the board's membership. The board shall elect
15 from among its members a [~~chairman,~~] vice-chairman~~[,]~~ and other
16 officers that the board considers necessary. The chairman and
17 vice-chairman serve for a term of one year and may be redesignated
18 or reelected, as applicable.

19 SECTION 53.03. Subsection (d), Section 57.13, Education
20 Code, is repealed.

21 ARTICLE 54. FISCAL MATTERS CONCERNING LEASES OF PUBLIC LAND FOR
22 MINERAL DEVELOPMENT

23 SECTION 54.01. Subsections (a) and (c), Section 85.66,
24 Education Code, are amended to read as follows:

25 (a) If oil or other minerals are developed on any of the
26 lands leased by the board, the royalty or money as stipulated in the
27 sale shall be paid to the general land office at Austin on or before

1 the last day of each month for the preceding month during the life
2 of the rights purchased, and shall be set aside [~~in the state~~
3 ~~treasury~~] as specified in Section 85.70 [~~of this code~~]. The royalty
4 or money paid to the general land office shall be accompanied by the
5 sworn statement of the owner, manager, or other authorized agent
6 showing the gross amount of oil, gas, sulphur, mineral ore, and
7 other minerals produced and saved since the last report, the amount
8 of oil, gas, sulphur, mineral ore, and other minerals produced and
9 sold off the premises, and the market value of the oil, gas,
10 sulphur, mineral ore, and other minerals, together with a copy of
11 all daily gauges, or vats, tanks, gas meter readings, pipeline
12 receipts, gas line receipts and other checks and memoranda of the
13 amounts produced and put into pipelines, tanks, vats, or pool and
14 gas lines, gas storage, other places of storage, and other means of
15 transportation.

16 (c) The commissioner of the general land office shall tender
17 to the board on or before the 10th day of each month a report of all
18 receipts that are collected from the lease or sale of oil, gas,
19 sulphur, mineral ore, and other minerals and that are deposited
20 [~~turned into the state treasury,~~] as provided by Section 85.70
21 during [~~of this code, of~~] the preceding month.

22 SECTION 54.02. Section 85.69, Education Code, is amended to
23 read as follows:

24 Sec. 85.69. PAYMENTS; DISPOSITION. Payments under this
25 subchapter shall be made to the commissioner of the general land
26 office at Austin, who shall transmit to the board [~~comptroller~~] all
27 royalties, lease fees, rentals for delay in drilling or mining, and

1 all other payments, including all filing assignments and
2 relinquishment fees, to be deposited [~~in the state treasury~~] as
3 provided by Section 85.70 [~~of this code~~].

4 SECTION 54.03. Section 85.70, Education Code, is amended to
5 read as follows:

6 Sec. 85.70. CERTAIN MINERAL LEASES; DISPOSITION OF MONEY;
7 SPECIAL FUNDS; INVESTMENT. (a) Except as provided by Subsection
8 (c) [~~of this section~~], all money received under and by virtue of
9 this subchapter shall be deposited in [~~the state treasury to the~~
10 ~~credit of~~] a special fund managed by the board to be known as The
11 Texas A&M University System Special Mineral Investment Fund. Money
12 in the fund is considered to be institutional funds, as defined by
13 Section 51.009, of the system and its component institutions. The
14 [~~With the approval of the comptroller, the board of regents of The~~
15 ~~Texas A&M University System may appoint one or more commercial~~
16 ~~banks, depository trust companies, or other entities to serve as~~
17 ~~custodian or custodians of the Special Mineral Investment Fund's~~
18 ~~securities with authority to hold the money realized from those~~
19 ~~securities pending completion of an investment transaction if the~~
20 ~~money held is reinvested within one business day of receipt in~~
21 ~~investments determined by the board of regents. Money not~~
22 ~~reinvested within one business day of receipt shall be deposited in~~
23 ~~the state treasury not later than the fifth day after the date of~~
24 ~~receipt. In the judgment of the board, this~~] special fund may be
25 invested so as to produce [~~an~~] income which may be expended under
26 the direction of the board for the general use of any component of
27 The Texas A&M University System, including erecting permanent

1 improvements and in payment of expenses incurred in connection with
2 the administration of this subchapter. The unexpended income
3 likewise may be invested as ~~[herein]~~ provided by this section.

4 (b) The income from the investment of the special mineral
5 investment fund created by ~~[under]~~ Subsection (a) ~~[of this section]~~
6 shall be deposited in ~~[to the credit of]~~ a fund managed by the board
7 to be known as The Texas A&M University System Special Mineral
8 Income Fund, and is considered to be institutional funds, as
9 defined by Section 51.009, of the system and its component
10 institutions ~~[shall be appropriated by the legislature exclusively~~
11 ~~for the university system for the purposes herein provided]~~.

12 (c) The board shall lease for oil, gas, sulphur, or other
13 mineral development, as prescribed by this subchapter, all or part
14 of the land under the exclusive control of the board owned by the
15 State of Texas and acquired for the use of Texas A&M
16 University--Kingsville and its divisions. Any money received by
17 the board concerning such land under this subchapter shall be
18 deposited in ~~[the state treasury to the credit of]~~ a special fund
19 managed by the board to be known as the Texas A&M
20 University--Kingsville special mineral fund. Money in the fund is
21 considered to be institutional funds, as defined by Section 51.009,
22 of the university and is^[7] to be used exclusively for the
23 university ~~[Texas A&M University--Kingsville]~~ and its branches and
24 divisions. ~~[Money may not be expended from this fund except as~~
25 ~~authorized by the general appropriations act.]~~

26 (d) All deposits in and investments of the fund under this
27 section shall be made in accordance with Section 51.0031.

1 (e) Section 34.017, Natural Resources Code, does not apply
2 to funds created by this section.

3 SECTION 54.04. Subsection (b), Section 95.36, Education
4 Code, is amended to read as follows:

5 (b) Except as provided in Subsection (c) of this section,
6 any money received by virtue of this section and the income from the
7 investment of such money shall be deposited in [~~the State Treasury~~
8 ~~to the credit of~~] a special fund managed by the board to be known as
9 the Texas State University System special mineral fund. Money in
10 the fund is considered to be institutional funds, as defined by
11 Section 51.009, of the system and its component institutions and
12 is[7] to be used exclusively for those entities. All deposits in and
13 investments of the fund shall be made in accordance with Section
14 51.0031. Section 34.017, Natural Resources Code, does not apply to
15 the fund [~~the university system and the universities in the system.~~
16 ~~However, no money shall ever be expended from this fund except as~~
17 ~~authorized by the General Appropriations Act].~~

18 SECTION 54.05. Subsection (b), Section 109.61, Education
19 Code, is amended to read as follows:

20 (b) Any money received by virtue of this section shall be
21 deposited in [~~the state treasury to the credit of~~] a special fund
22 managed by the board to be known as the Texas Tech University
23 special mineral fund. Money in the fund is considered to be
24 institutional funds, as defined by Section 51.009, of the
25 university and is[7] to be used exclusively for the university and
26 its branches and divisions. All deposits in and investments of the
27 fund shall be made in accordance with Section 51.0031. Section

1 34.017, Natural Resources Code, does not apply to the fund.
2 [~~However, no money shall ever be expended from this fund except as~~
3 ~~authorized by the general appropriations act.~~]

4 SECTION 54.06. Subsections (a) and (c), Section 109.75,
5 Education Code, are amended to read as follows:

6 (a) If oil or other minerals are developed on any of the
7 lands leased by the board, the royalty as stipulated in the sale
8 shall be paid to the general land office in Austin on or before the
9 last day of each month for the preceding month during the life of
10 the rights purchased. The royalty payments shall be set aside [~~in~~
11 ~~the state treasury~~] as specified in Section 109.61 [~~of this code~~]
12 and used as provided in that section.

13 (c) The commissioner of the general land office shall tender
14 to the board on or before the 10th day of each month a report of all
15 receipts that are collected from the lease or sale of oil, gas,
16 sulphur, or other minerals and that are deposited in [~~turned into~~]
17 the special fund as provided by Section 109.61 [~~in the state~~
18 ~~treasury~~] during the preceding month.

19 SECTION 54.07. Subsection (b), Section 109.78, Education
20 Code, is amended to read as follows:

21 (b) Payment of all royalties, lease fees, rentals for delay
22 in drilling or mining, filing fees for assignments and
23 relinquishments, and all other payments shall be made to the
24 commissioner of the general land office at Austin. The
25 commissioner shall transmit all payments received to the board
26 [~~comptroller~~] for deposit to the credit of the Texas Tech
27 University special mineral fund as provided by Section 109.61.

1 SECTION 54.08. Section 85.72, Education Code, is repealed.

2 SECTION 54.09. This article takes effect September 1, 2011.

3 ARTICLE 55. FOUNDATION SCHOOL PROGRAM FINANCING; CERTAIN TAX
4 INCREMENT FUND REPORTING MATTERS

5 SECTION 55.01. (a) This section applies only to a school
6 district that, before May 1, 2011, received from the commissioner
7 of education a notice of a reduction in state funding for the
8 2004-2005, 2005-2006, 2006-2007, 2007-2008, and 2008-2009 school
9 years based on the district's reporting related to deposits of
10 taxes into a tax increment fund under Chapter 311, Tax Code.

11 (b) Notwithstanding any other law, including Section
12 42.302(b)(2), Education Code, the commissioner of education shall
13 reduce by one-half the amounts of the reduction of entitlement
14 amounts computed for purposes of adjusting entitlement amounts to
15 account for taxes deposited into a tax increment fund for any of the
16 school years described by Subsection (a) of this section.

17 (c) This section expires September 1, 2013.

18 ARTICLE 56. FISCAL MATTERS RELATING TO PUBLIC SCHOOL FINANCE

19 SECTION 56.01. Effective September 1, 2011, Section 12.106,
20 Education Code, is amended by amending Subsection (a) and adding
21 Subsection (a-3) to read as follows:

22 (a) A charter holder is entitled to receive for the
23 open-enrollment charter school funding under Chapter 42 equal to
24 the greater of:

25 (1) the percentage specified by Section 42.2516(i)
26 multiplied by the amount of funding per student in weighted average
27 daily attendance, excluding enrichment funding under Sections

1 42.302(a-1)(2) and (3), as they existed on January 1, 2009, that
2 would have been received for the school during the 2009-2010 school
3 year under Chapter 42 as it existed on January 1, 2009, and an
4 additional amount of the percentage specified by Section 42.2516(i)
5 multiplied by \$120 for each student in weighted average daily
6 attendance; or

7 (2) the amount of funding per student in weighted
8 average daily attendance, excluding enrichment funding under
9 Section 42.302(a), to which the charter holder would be entitled
10 for the school under Chapter 42 if the school were a school district
11 without a tier one local share for purposes of Section 42.253 and
12 without any local revenue for purposes of Section 42.2516.

13 (a-3) In determining funding for an open-enrollment charter
14 school under Subsection (a), the commissioner shall apply the
15 regular program adjustment factor provided under Section 42.101 to
16 calculate the regular program allotment to which a charter school
17 is entitled.

18 SECTION 56.02. Effective September 1, 2017, Subsection (a),
19 Section 12.106, Education Code, is amended to read as follows:

20 (a) A charter holder is entitled to receive for the
21 open-enrollment charter school funding under Chapter 42 equal to
22 ~~[the greater of:~~

23 ~~[(1) the amount of funding per student in weighted~~
24 ~~average daily attendance, excluding enrichment funding under~~
25 ~~Sections 42.302(a-1)(2) and (3), as they existed on January 1,~~
26 ~~2009, that would have been received for the school during the~~
27 ~~2009-2010 school year under Chapter 42 as it existed on January 1,~~

1 ~~2009, and an additional amount of \$120 for each student in weighted~~
2 ~~average daily attendance, or~~

3 [~~2~~] the amount of funding per student in weighted
4 average daily attendance, excluding enrichment funding under
5 Section 42.302(a), to which the charter holder would be entitled
6 for the school under Chapter 42 if the school were a school district
7 without a tier one local share for purposes of Section 42.253 [~~and~~
8 ~~without any local revenue for purposes of Section 42.2516~~].

9 SECTION 56.03. Effective September 1, 2011, Section 21.402,
10 Education Code, is amended by amending Subsections (a), (b), (c),
11 and (c-1) and adding Subsection (i) to read as follows:

12 (a) Except as provided by Subsection (d) [~~, (e),~~] or (f), a
13 school district must pay each classroom teacher, full-time
14 librarian, full-time counselor certified under Subchapter B, or
15 full-time school nurse not less than the minimum monthly salary,
16 based on the employee's level of experience in addition to other
17 factors, as determined by commissioner rule, determined by the
18 following formula:

$$19 \qquad \qquad \qquad MS = SF \times FS$$

20 where:

21 "MS" is the minimum monthly salary;

22 "SF" is the applicable salary factor specified by Subsection
23 (c); and

24 "FS" is the amount, as determined by the commissioner under
25 Subsection (b), of the basic allotment as provided by Section
26 42.101(a) or (b) for a school district with a maintenance and
27 operations tax rate at least equal to the state maximum compressed

1 tax rate, as defined by Section 42.101(a) [~~state and local funds per~~
 2 ~~weighted student, including funds provided under Section 42.2516,~~
 3 ~~available to a district eligible to receive state assistance under~~
 4 ~~Section 42.302 with a maintenance and operations tax rate per \$100~~
 5 ~~of taxable value equal to the product of the state compression~~
 6 ~~percentage, as determined under Section 42.2516, multiplied by~~
 7 ~~\$1.50, except that the amount of state and local funds per weighted~~
 8 ~~student does not include the amount attributable to the increase in~~
 9 ~~the guaranteed level made by Chapter 1187, Acts of the 77th~~
 10 ~~Legislature, Regular Session, 2001].~~

11 (b) Not later than June 1 of each year, the commissioner
 12 shall determine the basic allotment and resulting monthly salaries
 13 to be paid by school districts as provided by Subsection (a) [~~amount~~
 14 ~~of state and local funds per weighted student available, for~~
 15 ~~purposes of Subsection (a), to a district described by that~~
 16 ~~subsection for the following school year].~~

17 (c) The salary factors per step are as follows:

18	Years Experience	0	1	2	3	4			
19	Salary Factor	<u>.5464</u>	[-.6226]	<u>.5582</u>	[-.6360]	<u>.5698</u>	[-.6492]	<u>.5816</u>	[-.6627]
20	Years Experience	5	6	7	8	9			
21	Salary Factor	<u>.6312</u>	[-.7192]	<u>.6560</u>	[-.7474]	<u>.6790</u>	[-.7737]	<u>.7008</u>	[-.7985]
22	Years Experience	10	11	12	13	14			
23	Salary Factor	<u>.7408</u>	[-.8441]	<u>.7592</u>	[-.8650]	<u>.7768</u>	[-.8851]	<u>.7930</u>	[-.9035]
24	Years Experience	15	16	17	18	19			
25	Salary Factor	<u>.8232</u>	[-.9390]	<u>.8372</u>	[-.9539]	<u>.8502</u>	[-.9687]	<u>.8626</u>	[-.9828]
26	Years Experience	20 and over							
27	Salary Factor	<u>.8854</u>	[-1.009]						

1 (c-1) Notwithstanding Subsections [~~Subsection~~] (a) and
 2 (b) [~~, for the 2009-2010 and 2010-2011 school years~~], each school
 3 district shall pay a monthly salary to [~~increase the monthly salary~~
 4 ~~of~~] each classroom teacher, full-time speech pathologist,
 5 full-time librarian, full-time counselor certified under
 6 Subchapter B, and full-time school nurse that is at least equal to
 7 the following monthly salary or the monthly salary determined by
 8 the commissioner under Subsections (a) and (b), whichever is [~~by~~
 9 ~~the~~] greater [~~of~~]:

<u>Years of</u>	<u>Monthly</u>
<u>Experience</u>	<u>Salary</u>
<u>0</u>	<u>2,732</u>
<u>1</u>	<u>2,791</u>
<u>2</u>	<u>2,849</u>
<u>3</u>	<u>2,908</u>
<u>4</u>	<u>3,032</u>
<u>5</u>	<u>3,156</u>
<u>6</u>	<u>3,280</u>
<u>7</u>	<u>3,395</u>
<u>8</u>	<u>3,504</u>
<u>9</u>	<u>3,607</u>
<u>10</u>	<u>3,704</u>
<u>11</u>	<u>3,796</u>
<u>12</u>	<u>3,884</u>
<u>13</u>	<u>3,965</u>
<u>14</u>	<u>4,043</u>
<u>15</u>	<u>4,116</u>

1	<u>16</u>	<u>4,186</u>
2	<u>17</u>	<u>4,251</u>
3	<u>18</u>	<u>4,313</u>
4	<u>19</u>	<u>4,372</u>
5	<u>20 & Over</u>	<u>4,427</u>

6 ~~[(1) \$80, or~~

7 ~~[(2) the maximum uniform amount that, when combined~~
 8 ~~with any resulting increases in the amount of contributions made by~~
 9 ~~the district for social security coverage for the specified~~
 10 ~~employees or by the district on behalf of the specified employees~~
 11 ~~under Section 825.405, Government Code, may be provided using an~~
 12 ~~amount equal to the product of \$60 multiplied by the number of~~
 13 ~~students in weighted average daily attendance in the school during~~
 14 ~~the 2009-2010 school year.]~~

15 (i) Not later than January 1, 2013, the commissioner shall
 16 submit to the governor, the lieutenant governor, the speaker of the
 17 house of representatives, and the presiding officer of each
 18 legislative standing committee with primary jurisdiction over
 19 primary and secondary education a written report that evaluates and
 20 provides recommendations regarding the salary schedule. This
 21 subsection expires September 1, 2013.

22 SECTION 56.04. Effective September 1, 2017, Section 21.402,
 23 Education Code, is amended by amending Subsection (a) and adding
 24 Subsection (e-1) to read as follows:

25 (a) Except as provided by Subsection (d), (e-1) ~~[(e)]~~, or
 26 (f), a school district must pay each classroom teacher, full-time
 27 librarian, full-time counselor certified under Subchapter B, or

1 full-time school nurse not less than the minimum monthly salary,
2 based on the employee's level of experience in addition to other
3 factors, as determined by commissioner rule, determined by the
4 following formula:

$$5 \qquad \qquad \qquad MS = SF \times FS$$

6 where:

7 "MS" is the minimum monthly salary;

8 "SF" is the applicable salary factor specified by Subsection
9 (c); and

10 "FS" is the amount, as determined by the commissioner under
11 Subsection (b), of the basic allotment as provided by Section
12 42.101(a) or (b) for a school district with a maintenance and
13 operation tax rate at least equal to the state maximum compressed
14 tax rate, as defined by Section 42.101(a) [~~state and local funds per~~
15 ~~weighted student, including funds provided under Section 42.2516,~~
16 ~~available to a district eligible to receive state assistance under~~
17 ~~Section 42.302 with a maintenance and operations tax rate per \$100~~
18 ~~of taxable value equal to the product of the state compression~~
19 ~~percentage, as determined under Section 42.2516, multiplied by~~
20 ~~\$1.50, except that the amount of state and local funds per weighted~~
21 ~~student does not include the amount attributable to the increase in~~
22 ~~the guaranteed level made by Chapter 1187, Acts of the 77th~~
23 ~~Legislature, Regular Session, 2001].~~

24 (e-1) If the minimum monthly salary determined under
25 Subsection (a) for a particular level of experience is less than the
26 minimum monthly salary for that level of experience in the
27 preceding year, the minimum monthly salary is the minimum monthly

1 salary for the preceding year.

2 SECTION 56.05. Subsection (a), Section 41.002, Education
3 Code, is amended to read as follows:

4 (a) A school district may not have a wealth per student that
5 exceeds:

6 (1) the wealth per student that generates the amount
7 of maintenance and operations tax revenue per weighted student
8 available to a district with maintenance and operations tax revenue
9 per cent of tax effort equal to the maximum amount provided per cent
10 under Section 42.101(a) or (b) [~~42.101~~], for the district's
11 maintenance and operations tax effort equal to or less than the rate
12 equal to the product of the state compression percentage, as
13 determined under Section 42.2516, multiplied by the maintenance and
14 operations tax rate adopted by the district for the 2005 tax year;

15 (2) the wealth per student that generates the amount
16 of maintenance and operations tax revenue per weighted student
17 available to the Austin Independent School District, as determined
18 by the commissioner in cooperation with the Legislative Budget
19 Board, for the first six cents by which the district's maintenance
20 and operations tax rate exceeds the rate equal to the product of the
21 state compression percentage, as determined under Section 42.2516,
22 multiplied by the maintenance and operations tax rate adopted by
23 the district for the 2005 tax year, subject to Section 41.093(b-1);
24 or

25 (3) \$319,500, for the district's maintenance and
26 operations tax effort that exceeds the first six cents by which the
27 district's maintenance and operations tax effort exceeds the rate

1 equal to the product of the state compression percentage, as
2 determined under Section 42.2516, multiplied by the maintenance and
3 operations tax rate adopted by the district for the 2005 tax year.

4 SECTION 56.06. The heading to Section 42.101, Education
5 Code, is amended to read as follows:

6 Sec. 42.101. BASIC AND REGULAR PROGRAM ALLOTMENTS
7 [~~ALLOTMENT~~].

8 SECTION 56.07. Section 42.101, Education Code, is amended
9 by amending Subsections (a) and (b) and adding Subsections (c) and
10 (c-1) to read as follows:

11 (a) The basic [~~For each student in average daily attendance,~~
12 ~~not including the time students spend each day in special education~~
13 ~~programs in an instructional arrangement other than mainstream or~~
14 ~~career and technology education programs, for which an additional~~
15 ~~allotment is made under Subchapter C, a district is entitled to an]~~
16 allotment is an amount equal to the lesser of \$4,765 or the amount
17 that results from the following formula:

$$A = \$4,765 \times (DCR/MCR)$$

18 where:

19 "A" is the resulting amount for [~~allotment to which~~] a
20 district [~~is entitled~~];

21 "DCR" is the district's compressed tax rate, which is the
22 product of the state compression percentage, as determined under
23 Section 42.2516, multiplied by the maintenance and operations tax
24 rate adopted by the district for the 2005 tax year; and

25 "MCR" is the state maximum compressed tax rate, which is the
26 product of the state compression percentage, as determined under
27

1 Section 42.2516, multiplied by \$1.50.

2 (b) A greater amount for any school year for the basic
3 allotment under Subsection (a) may be provided by appropriation.

4 (c) A school district is entitled to a regular program
5 allotment equal to the amount that results from the following
6 formula:

$$7 \qquad \qquad \qquad \text{RPA} = \text{ADA} \times \text{AA} \times \text{RPAF}$$

8 where:

9 "RPA" is the regular program allotment to which the district
10 is entitled;

11 "ADA" is the number of students in average daily attendance
12 in a district, not including the time students spend each day in
13 special education programs in an instructional arrangement other
14 than mainstream or career and technology education programs, for
15 which an additional allotment is made under Subchapter C;

16 "AA" is the district's adjusted basic allotment, as
17 determined under Section 42.102 and, if applicable, as further
18 adjusted under Section 42.103; and

19 "RPAF" is the regular program adjustment factor, which is an
20 amount established by appropriation.

21 (c-1) Notwithstanding Subsection (c), the regular program
22 adjustment factor ("RPAF") is 0.9239 for the 2011-2012 school year
23 and 0.98 for the 2012-2013 school year. This subsection expires
24 September 1, 2013.

25 SECTION 56.08. Section 42.105, Education Code, is amended
26 to read as follows:

27 Sec. 42.105. SPARSITY ADJUSTMENT. Notwithstanding

1 Sections 42.101, 42.102, and 42.103, a school district that has
2 fewer than 130 students in average daily attendance shall be
3 provided a regular program [~~an adjusted basic~~] allotment on the
4 basis of 130 students in average daily attendance if it offers a
5 kindergarten through grade 12 program and has preceding or current
6 year's average daily attendance of at least 90 students or is 30
7 miles or more by bus route from the nearest high school district. A
8 district offering a kindergarten through grade 8 program whose
9 preceding or current year's average daily attendance was at least
10 50 students or which is 30 miles or more by bus route from the
11 nearest high school district shall be provided a regular program
12 [~~an adjusted basic~~] allotment on the basis of 75 students in average
13 daily attendance. An average daily attendance of 60 students shall
14 be the basis of providing the regular program [~~adjusted basic~~]
15 allotment if a district offers a kindergarten through grade 6
16 program and has preceding or current year's average daily
17 attendance of at least 40 students or is 30 miles or more by bus
18 route from the nearest high school district.

19 SECTION 56.09. Subsection (a), Section 42.251, Education
20 Code, is amended to read as follows:

21 (a) The sum of the regular program [~~basic~~] allotment under
22 Subchapter B and the special allotments under Subchapter C,
23 computed in accordance with this chapter, constitute the tier one
24 allotments. The sum of the tier one allotments and the guaranteed
25 yield allotments under Subchapter F, computed in accordance with
26 this chapter, constitute the total cost of the Foundation School
27 Program.

1 SECTION 56.10. Subchapter E, Chapter 42, Education Code, is
2 amended by adding Section 42.2514 to read as follows:

3 Sec. 42.2514. ADDITIONAL STATE AID FOR TAX INCREMENT
4 FINANCING PAYMENTS. For each school year, a school district,
5 including a school district that is otherwise ineligible for state
6 aid under this chapter, is entitled to state aid in an amount equal
7 to the amount the district is required to pay into the tax increment
8 fund for a reinvestment zone under Section 311.013(n), Tax Code.

9 SECTION 56.11. Effective September 1, 2011, Section
10 42.2516, Education Code, is amended by amending Subsections (a),
11 (b), (d), and (f-2) and adding Subsection (i) to read as follows:

12 (a) In this title [~~section~~], "state compression percentage"
13 means the percentage [~~, as determined by the commissioner,~~] of a
14 school district's adopted maintenance and operations tax rate for
15 the 2005 tax year that serves as the basis for state funding [~~for~~
16 ~~tax rate reduction under this section~~]. If the state compression
17 percentage is not established by appropriation for a school year,
18 the [~~The~~] commissioner shall determine the state compression
19 percentage for each school year based on the percentage by which a
20 district is able to reduce the district's maintenance and
21 operations tax rate for that year, as compared to the district's
22 adopted maintenance and operations tax rate for the 2005 tax year,
23 as a result of state funds appropriated for distribution under this
24 section for that year from the property tax relief fund established
25 under Section 403.109, Government Code, or from another funding
26 source available for school district property tax relief.

27 (b) Notwithstanding any other provision of this title, a

1 school district that imposes a maintenance and operations tax at a
2 rate at least equal to the product of the state compression
3 percentage multiplied by the maintenance and operations tax rate
4 adopted by the district for the 2005 tax year is entitled to at
5 least the amount of state revenue necessary to provide the district
6 with the sum of:

7 (1) the percentage specified by Subsection (i) of the
8 amount, as calculated under Subsection (e), [~~the amount~~] of state
9 and local revenue per student in weighted average daily attendance
10 for maintenance and operations that the district would have
11 received during the 2009-2010 school year under Chapter 41 and this
12 chapter, as those chapters existed on January 1, 2009, at a
13 maintenance and operations tax rate equal to the product of the
14 state compression percentage for that year multiplied by the
15 maintenance and operations tax rate adopted by the district for the
16 2005 tax year;

17 (2) the percentage specified by Subsection (i) of an
18 amount equal to the product of \$120 multiplied by the number of
19 students in weighted average daily attendance in the district; and

20 (3) [~~an amount equal to the amount the district is~~
21 ~~required to pay into the tax increment fund for a reinvestment zone~~
22 ~~under Section 311.013(n), Tax Code, in the current tax year, and~~

23 [~~(4)~~] any amount to which the district is entitled
24 under Section 42.106.

25 (d) In determining the amount to which a district is
26 entitled under Subsection (b)(1), the commissioner shall:

27 (1) include the percentage specified by Subsection (i)

1 of any amounts received by the district during the 2008-2009 school
2 year under Rider 86, page III-23, Chapter 1428 (H.B. 1), Acts of the
3 80th Legislature, Regular Session, 2007 (the General
4 Appropriations Act); and

5 (2) for a school district that paid tuition under
6 Section 25.039 during the 2008-2009 school year, reduce the amount
7 to which the district is entitled by the amount of tuition paid
8 during that school year.

9 (f-2) The rules adopted by the commissioner under
10 Subsection (f-1) must:

11 (1) require the commissioner to determine, as if this
12 section did not exist, the effect under Chapter 41 and this chapter
13 of a school district's action described by Subsection (f-1)(1),
14 (2), (3), or (4) on the total state revenue to which the district
15 would be entitled or the cost to the district of purchasing
16 sufficient attendance credits to reduce the district's wealth per
17 student to the equalized wealth level; and

18 (2) require an increase or reduction in the amount of
19 state revenue to which a school district is entitled under
20 Subsection (b)(1) [~~(b)~~] that is substantially equivalent to any
21 change in total state revenue or the cost of purchasing attendance
22 credits that would apply to the district if this section did not
23 exist.

24 (i) The percentage to be applied for purposes of Subsections
25 (b)(1) and (2) and Subsection (d)(1) is 100.00 percent for the
26 2011-2012 school year and 92.35 percent for the 2012-2013 school
27 year. For the 2013-2014 school year and each subsequent school

1 year, the legislature by appropriation shall establish the
2 percentage reduction to be applied.

3 SECTION 56.12. Effective September 1, 2017, the heading to
4 Section 42.2516, Education Code, is amended to read as follows:

5 Sec. 42.2516. STATE COMPRESSION PERCENTAGE [~~ADDITIONAL~~
6 ~~STATE AID FOR TAX REDUCTION~~].

7 SECTION 56.13. Effective September 1, 2017, Subsection (a),
8 Section 42.2516, Education Code, is amended to read as follows:

9 (a) In this title [~~section~~], "state compression percentage"
10 means the percentage[~~, as determined by the commissioner,~~] of a
11 school district's adopted maintenance and operations tax rate for
12 the 2005 tax year that serves as the basis for state funding [~~for~~
13 ~~tax rate reduction under this section~~]. If the state compression
14 percentage is not established by appropriation for a school year,
15 the [~~The~~] commissioner shall determine the state compression
16 percentage for each school year based on the percentage by which a
17 district is able to reduce the district's maintenance and
18 operations tax rate for that year, as compared to the district's
19 adopted maintenance and operations tax rate for the 2005 tax year,
20 as a result of state funds appropriated for [~~distribution under~~
21 ~~this section for~~] that year from the property tax relief fund
22 established under Section 403.109, Government Code, or from another
23 funding source available for school district property tax relief.

24 SECTION 56.14. Effective September 1, 2011, Subsection (a),
25 Section 42.25161, Education Code, is amended to read as follows:

26 (a) The commissioner shall provide South Texas Independent
27 School District with the amount of state aid necessary to ensure

1 that the district receives an amount of state and local revenue per
2 student in weighted average daily attendance that is at least the
3 percentage specified by Section 42.2516(i) of \$120 greater than the
4 amount the district would have received per student in weighted
5 average daily attendance during the 2009-2010 school year under
6 this chapter, as it existed on January 1, 2009, at a maintenance and
7 operations tax rate equal to the product of the state compression
8 percentage multiplied by the maintenance and operations tax rate
9 adopted by the district for the 2005 tax year, provided that the
10 district imposes a maintenance and operations tax at that rate.

11 SECTION 56.15. Subchapter E, Chapter 42, Education Code, is
12 amended by adding Section 42.2525 to read as follows:

13 Sec. 42.2525. ADJUSTMENTS FOR CERTAIN DEPARTMENT OF DEFENSE
14 DISTRICTS. The commissioner is granted the authority to ensure
15 that Department of Defense school districts do not receive more
16 than an eight percent reduction should the federal government
17 reduce appropriations to those schools.

18 SECTION 56.16. Effective September 1, 2011, Subsections (h)
19 and (i), Section 42.253, Education Code, are amended to read as
20 follows:

21 (h) If the amount appropriated for the Foundation School
22 Program for the second year of a state fiscal biennium is less than
23 the amount to which school districts are entitled for that year, the
24 commissioner shall certify the amount of the difference to the
25 Legislative Budget Board not later than January 1 of the second year
26 of the state fiscal biennium. The Legislative Budget Board shall
27 propose to the legislature that the certified amount be transferred

1 to the foundation school fund from the economic stabilization fund
2 and appropriated for the purpose of increases in allocations under
3 this subsection. If the legislature fails during the regular
4 session to enact the proposed transfer and appropriation and there
5 are not funds available under Subsection (j), the commissioner
6 shall adjust ~~reduce~~ the total amounts due to each school district
7 under this chapter and the total amounts necessary for each school
8 district to comply with the requirements of Chapter 41 ~~[amount of~~
9 ~~state funds allocated to each district]~~ by an amount determined by
10 applying to each district, including a district receiving funds
11 under Section 42.2516, the same percentage adjustment so that the
12 total amount of the adjustment to all districts ~~[a method under~~
13 ~~which the application of the same number of cents of increase in tax~~
14 ~~rate in all districts applied to the taxable value of property of~~
15 ~~each district, as determined under Subchapter M, Chapter 403,~~
16 ~~Government Code,]~~ results in an amount ~~[a total levy]~~ equal to the
17 total adjustment necessary. A school district is not entitled to
18 reimbursement in a subsequent fiscal year of the amount resulting
19 from the adjustment authorized by this subsection ~~[reduction. The~~
20 ~~following fiscal year, a district's entitlement under this section~~
21 ~~is increased by an amount equal to the reduction made under this~~
22 ~~subsection].~~

23 (i) Not later than March 1 each year, the commissioner shall
24 determine the actual amount of state funds to which each school
25 district is entitled under the allocation formulas in this chapter
26 for the current school year, as adjusted in accordance with
27 Subsection (h), if applicable, and shall compare that amount with

1 the amount of the warrants issued to each district for that year.
2 If the amount of the warrants differs from the amount to which a
3 district is entitled because of variations in the district's tax
4 rate, student enrollment, or taxable value of property, the
5 commissioner shall adjust the district's entitlement for the next
6 fiscal year accordingly.

7 SECTION 56.17. Effective September 1, 2017, Subsection (h),
8 Section 42.253, Education Code, is amended to read as follows:

9 (h) If the amount appropriated for the Foundation School
10 Program for the second year of a state fiscal biennium is less than
11 the amount to which school districts are entitled for that year, the
12 commissioner shall certify the amount of the difference to the
13 Legislative Budget Board not later than January 1 of the second year
14 of the state fiscal biennium. The Legislative Budget Board shall
15 propose to the legislature that the certified amount be transferred
16 to the foundation school fund from the economic stabilization fund
17 and appropriated for the purpose of increases in allocations under
18 this subsection. If the legislature fails during the regular
19 session to enact the proposed transfer and appropriation and there
20 are not funds available under Subsection (j), the commissioner
21 shall adjust ~~reduce~~ the total amounts due to each school district
22 under this chapter and the total amounts necessary for each school
23 district to comply with the requirements of Chapter 41 ~~[amount of~~
24 ~~state funds allocated to each district]~~ by an amount determined by
25 applying to each district the same percentage adjustment so that
26 the total amount of the adjustment to all districts ~~[a method under~~
27 ~~which the application of the same number of cents of increase in tax~~

1 ~~rate in all districts applied to the taxable value of property of~~
2 ~~each district, as determined under Subchapter M, Chapter 403,~~
3 ~~Government Code,~~] results in an amount [~~a total levy~~] equal to the
4 total adjustment necessary. A school district is not entitled to
5 reimbursement in a subsequent fiscal year of the amount resulting
6 from the adjustment authorized by this subsection [~~reduction. The~~
7 ~~following fiscal year, a district's entitlement under this section~~
8 ~~is increased by an amount equal to the reduction made under this~~
9 ~~subsection~~].

10 SECTION 56.18. Section 42.258, Education Code, is amended
11 by amending Subsection (a) and adding Subsection (a-1) to read as
12 follows:

13 (a) If a school district has received an overallocation of
14 state funds, the agency shall, by withholding from subsequent
15 allocations of state funds for the current or subsequent school
16 year or by requesting and obtaining a refund, recover from the
17 district an amount equal to the overallocation.

18 (a-1) Notwithstanding Subsection (a), the agency may
19 recover an overallocation of state funds over a period not to exceed
20 the subsequent five school years if the commissioner determines
21 that the overallocation was the result of exceptional circumstances
22 reasonably caused by statutory changes to Chapter 41 or 46 or this
23 chapter and related reporting requirements.

24 SECTION 56.19. Subsection (b), Section 42.260, Education
25 Code, is amended to read as follows:

26 (b) For each year, the commissioner shall certify to each
27 school district or participating charter school the amount of[+]

1 ~~[(1)]~~ additional funds to which the district or school
2 is entitled due to the increase made by H.B. No. 3343, Acts of the
3 77th Legislature, Regular Session, 2001, to:

4 (1) ~~[(A)]~~ the equalized wealth level under Section
5 41.002; or

6 (2) ~~[(B)]~~ the guaranteed level of state and local
7 funds per weighted student per cent of tax effort under Section
8 42.302~~;~~ ~~or~~

9 ~~[(2) additional state aid to which the district or~~
10 ~~school is entitled under Section 42.2513].~~

11 SECTION 56.20. Section 44.004, Education Code, is amended
12 by adding Subsection (g-1) to read as follows:

13 (g-1) If the rate calculated under Subsection
14 (c)(5)(A)(ii)(b) decreases after the publication of the notice
15 required by this section, the president is not required to publish
16 another notice or call another meeting to discuss and adopt the
17 budget and the proposed lower tax rate.

18 SECTION 56.21. Subsection (a), Section 26.05, Tax Code, is
19 amended to read as follows:

20 (a) The governing body of each taxing unit, before the later
21 of September 30 or the 60th day after the date the certified
22 appraisal roll is received by the taxing unit, shall adopt a tax
23 rate for the current tax year and shall notify the assessor for the
24 unit of the rate adopted. The tax rate consists of two components,
25 each of which must be approved separately. The components are:

26 (1) for a taxing unit other than a school district, the
27 rate that, if applied to the total taxable value, will impose the

1 total amount published under Section 26.04(e)(3)(C), less any
2 amount of additional sales and use tax revenue that will be used to
3 pay debt service, or, for a school district, the rate calculated
4 ~~[published]~~ under Section 44.004(c)(5)(A)(ii)(b), Education Code;
5 and

6 (2) the rate that, if applied to the total taxable
7 value, will impose the amount of taxes needed to fund maintenance
8 and operation expenditures of the unit for the next year.

9 SECTION 56.22. Effective September 1, 2017, Subsection (i),
10 Section 26.08, Tax Code, is amended to read as follows:

11 (i) For purposes of this section, the effective maintenance
12 and operations tax rate of a school district is the tax rate that,
13 applied to the current total value for the district, would impose
14 taxes in an amount that, when added to state funds that would be
15 distributed to the district under Chapter 42, Education Code, for
16 the school year beginning in the current tax year using that tax
17 rate, ~~[including state funds that will be distributed to the~~
18 ~~district in that school year under Section 42.2516, Education~~
19 ~~Code]~~ would provide the same amount of state funds distributed
20 under Chapter 42, Education Code, ~~[including state funds~~
21 ~~distributed under Section 42.2516, Education Code]~~ and
22 maintenance and operations taxes of the district per student in
23 weighted average daily attendance for that school year that would
24 have been available to the district in the preceding year if the
25 funding elements for Chapters 41 and 42, Education Code, for the
26 current year had been in effect for the preceding year.

27 SECTION 56.23. Subsection (n), Section 311.013, Tax Code,

1 is amended to read as follows:

2 (n) This subsection applies only to a school district whose
3 taxable value computed under Section 403.302(d), Government Code,
4 is reduced in accordance with Subdivision (4) of that
5 subsection. In addition to the amount otherwise required to be
6 paid into the tax increment fund, the district shall pay into the
7 fund an amount equal to the amount by which the amount of taxes the
8 district would have been required to pay into the fund in the
9 current year if the district levied taxes at the rate the district
10 levied in 2005 exceeds the amount the district is otherwise
11 required to pay into the fund in the year of the reduction. This
12 additional amount may not exceed the amount the school district
13 receives in state aid for the current tax year under Section
14 42.2514, Education Code. The school district shall pay the
15 additional amount after the district receives the state aid to
16 which the district is entitled for the current tax year under
17 Section 42.2514, Education Code.

18 SECTION 56.24. Effective September 1, 2011, the following
19 provisions of the Education Code are repealed:

- 20 (1) Subsections (c-2), (c-3), and (e), Section 21.402;
21 (2) Section 42.008; and
22 (3) Subsections (a-1) and (a-2), Section 42.101.

23 SECTION 56.25. (a) Effective September 1, 2017, the
24 following provisions of the Education Code are repealed:

- 25 (1) Section 41.0041;
26 (2) Subsections (b), (b-1), (b-2), (c), (d), (e), (f),
27 (f-1), (f-2), (f-3), and (i), Section 42.2516;

- 1 (3) Section 42.25161;
- 2 (4) Subsection (c), Section 42.2523;
- 3 (5) Subsection (g), Section 42.2524;
- 4 (6) Subsection (c-1), Section 42.253; and
- 5 (7) Section 42.261.

6 (b) Effective September 1, 2017, Subsections (i-1) and (j),
7 Section 26.08, Tax Code, are repealed.

8 SECTION 56.26. (a) The speaker of the house of
9 representatives and the lieutenant governor shall establish a joint
10 legislative interim committee to conduct a comprehensive study of
11 the public school finance system in this state.

12 (b) Not later than January 15, 2013, the committee shall
13 make recommendations to the 83rd Legislature regarding changes to
14 the public school finance system.

15 (c) The committee is dissolved September 1, 2013.

16 SECTION 56.27. It is the intent of the legislature, between
17 fiscal year 2014 and fiscal year 2018, to continue to reduce the
18 amount of Additional State Aid For Tax Reduction (ASATR) to which a
19 school district is entitled under Section 42.2516, Education Code,
20 and to increase the basic allotment to which a school district is
21 entitled under Section 42.101, Education Code.

22 SECTION 56.28. Except as otherwise provided by this Act,
23 the changes in law made by this Act to Chapter 42, Education Code,
24 apply beginning with the 2011-2012 school year.

25 SECTION 56.29. The change in law made by Subsection (g-1),
26 Section 44.004, Education Code, as added by this Act, applies
27 beginning with adoption of a tax rate for the 2011 tax year.

ARTICLE 57. EFFECTIVE DATE

SECTION 57.01. Except as otherwise provided by this Act:

(1) this Act takes effect September 1, 2011, if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2) if this Act does not receive the vote necessary for effect on that date, this Act takes effect on the 91st day after the last day of the legislative session.